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ABSTRACT

Hearings on reauthorization of the Higher Education Act that were held in Burlington, Vermont, in 1986 are presented. Included is Vermont's unified position concerning the relative merits of House and Senate versions of the Higher Education Act. In Vermont, a special committee composed of representatives from all sectors of higher education monitored the Reauthorization Act. It is noted that there has been greater reliance on loan programs and that the value of Pell grants has dropped by 26% in the last 5 years, because of the effects of the constant dollar. Attention is directed to the consequences of the Gramm-Rudman-Hollings act and current budget proposals. It is argued that the Reagan Administration's student aid proposals would eliminate or reduce awards for over 3 million students, whose only alternative source of assistance would be loans carrying a significantly higher burden of debt. Loan availability would be drastically curtailed, however, if the proposed Guaranteed Student Loan changes cause lenders to pull out and collapse the program. Twelve categorical support programs would be eliminated by recisions in the current fiscal year (FY) 1986 budget, and no funds would be requested for them in FY 1987. Suggestions are offered concerning eligibility for Pell grants and program administration. (SW)

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OVERSIGHT HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT IN BURLINGTON, VT

ED276337

HEARING

BEFORE THE

SUBCOMMITTEE ON
POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

HEARING HELD IN BURLINGTON, VT ON
FEBRUARY 10, 1986

Serial No. 99-112

Printed for the use of the Committee on Education and Labor

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OVERSIGHT HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT IN BURLINGTON, VT

MONDAY, FEBRUARY 10, 1986

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Burlington, VT.

The subcommittee met, pursuant to call, at 10 a.m., at City Hall, Burlington, VT, Hon. William D. Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford, Penny, Gunderson, and Jeffords.

Staff present: Thomas R. Wolanin, staff director, Subcommittee on Postsecondary Education; Rich DiEugenio, senior Republican legislative associate; Beth Buehlmann, Republican education staff director; and Kristin Gilbert, clerk/legislative associate.

Mr. FORD. I am pleased to call to order this field hearing of the Subcommittee on Postsecondary Education of the U.S. House of Representatives. We are holding this hearing this morning in Vermont at the express request of Congressman Jim Jeffords, who is the ranking minority member of the Education and Labor Committee.

As you all know, the House of Representatives, on December 4 of last year passed a reauthorization of the Higher Education Act by a margin of 350–67. In the process of formulating the reauthorization bill, this subcommittee held 35 days of hearings, including 12 field hearings outside of Washington, during which we heard from 352 witnesses.

The very first hearing we held, and the first field hearing, was here in Vermont. It was actually a joint hearing conducted by our good friends, Senator Stafford and Jim Jeffords.

So they kicked off the whole process which we undertook during the past year with respect to postsecondary education.

We are proud of the bill which was adopted by the House. And better than a 5-to-1 margin indicates that our colleagues in the House were pleased with it as well.

While the bill was a bipartisan collective product that I refer to as our bill, it is not my bill, and it is not Jim Jeffords' bill, but there were a lot of special contributions made by Mr. Jeffords, and probably he has more in the bill than I do as the chairman.

I can think of just a few of them. Revitalized loan consolidation programs, the Jeffords amendment; private sector participation in

the College Work Study Program, the Jeffords amendment; refinements in the New Facilities Loan Insurance Program, which is a brandnew program which we hope will help, particularly smaller schools in improving their facilities with a minimal investment by the Federal Government and with considerable involvement by the private sector.

And very importantly, the insulation of the FIPSE Board from the Secretary of Education, not just this Secretary, but any Secretary. This was the first one who attempted to do what he attempted to do, but he alerted us to the fact that it probably wouldn't be a good idea for any Secretary to take that kind of authority unto himself.

And also, the creation of the National Commission on the Financing of Postsecondary Education.

In addition to that, I should mention that there are a number of provisions in the bill that were contentious, and that we could very well have lost, but for the fact that at the appropriate time, Jim Jeffords, as a skilled legislator, was able to step forward with a Jeffords' compromise. It is not something that surprises us on the committee.

When it looks like it is a do-or-die situation, when you are going to break the whole process open with very strong feelings, Jim frequently is able to find a way to accommodate the concerns of the competing factions and give us an amendment that will save the day.

Those of you who are interested in the loan deferral for people going into education should realize that while I asked for a more generous—from the student point of view—program than we ended up with, we might not have had it all if it hadn't been for the Jeffords amendment, which provided the compromise between those who were strongly opposed to it and those who were supporting it.

So, we got the concept. Although we didn't get as much as I wanted, the concept itself is important, because it has the Congress acknowledging the fact of life that still all too many people in America are trying to deny, and that is that statistically, we have known for several years that we are facing a terrible shortage of teachers in this country.

We had that thrust upon us in the fifties with the help of the Russians putting up Sputnik, and the sudden anxiety for the Federal Government to do something. And we took extraordinary steps to try to entice people into education in a hurry.

If we are not careful, we will be in that same sort of desperate strait very shortly, because our estimates indicate that between now and 4 years from now, we will have to train at least 1.5 million additional teachers above what we are training and putting into the field at the present time.

When one considers the relatively low pay that schoolteachers receive across the United States, and these comments are not directed at Vermont, but the national figures, and considers the liberating of the heretofore captive female population that we were able to use for 200 years in this country as a low-cost, very effective sort of teaching material, you begin to realize that the problem is more serious than it has been in the past, and it won't be solved overnight.

So we have made at least a beginning in trying to sound the call to people to recognize that we have to adjust a good deal of our thinking and support the institutions that we look to to recruit the good people and train them well, so that they will give us the kind of teachers everybody in America says they would like to have.

Now, Jim also, as always, was a vigorous contributor to our debates on the formula for distributing campus-based aid, the definition of an independent student, and the loan deferment for teachers, that I mentioned.

I would like to say that this hearing is the first hearing by the subcommittee since passage of the House reauthorization. We are returning here to Vermont, where the whole thing began, to solicit the views and opinions of educators and students on the product at this stage, recognizing that we are only halfway through in the process.

What do you see as the strengths and the weaknesses of the House reauthorization bill, H.R. 3700? And indeed, do you have some better ideas, or are there some better ideas floating around?

I would like to say also, and I don't want to hurt Bob by saying this as a Democrat coming to Vermont, I worked with the Senator from this State for a number of years, and I have found that our relationship has been a very compatible one in dealing with the issue of education at all levels.

I look forward, as a matter of fact, with a great deal of optimism to our success in finally having a very forward-looking product after the House and Senate version goes to conference, because I have been in enough conferences with Bob Stafford to know that he is going to do what is right, and that he has an open mind that is willing to give full consideration to anything that the House would like to have considered, that doesn't at first blush appear to be acceptable to the Senate; and that we will have a fair and honest negotiating process in reaching a final product.

And I have never been on a conference with him where we have been unable to finish with a conference report that we were both not only willing to sign, but eager to sign, because we felt that it represented our positive best effort.

And in that process, I mentioned to some folks last night, this State will be terribly overrepresented. You have your chairman who will face me across the table from the Senate from this State, and then you have a chunk of the votes that I need to negotiate with that Senate in the hands of the gentleman to my left today, who is the ranking Republican on the full committee. He holds all the proxies for his side of the aisle.

And when he and I agree, that means the whole House is in one place. If he and I agree to disagree, it means the House is in disarray. That is not an infrequent situation we find ourselves in, but we would like to keep that out of our deliberations.

So I have to depend very, very strongly on both Mr. Jeffords and Senator Stafford being satisfied that we have a final product that meets their tests, and I am tempted to say that they have already overburdened this legislation with things that should say Vermont on them, although they don't, except I won't because I don't think it would be fair to either one of them to characterize them as

people who cared only about what will work in Vermont and not what makes sense for national policy.

Because even I, coming from Michigan, where I am very close to the education community and to our institutions, have to recognize that because we, like Vermont, are a superior State, what will work in Michigan probably won't work in most of the other places, because their people are different than ours.

But laying that aside, we are, after all, making national policy. And we try to make that national policy in a way that reflects the diversity of this country, and if you have any doubts about diversity in any other field, you can look at the diversity of postsecondary education in the country, and recognize that when this committee is talking about this country, we don't mean just the 48 contiguous mainland States, but we also mean remote areas like Alaska, Hawaii, the South Pacific islands, the Trust Territories, the Virgin Islands, Puerto Rico, and that little island in the east-center of the country, the non-State of the District of Columbia.

So that we can't let a big California, which now has more people than anybody else, a big Texas, which has more land than anybody else, or Alaska, make national policy because they are bigger, or somebody else make national policy because they are smaller, but we have to make it work in Vermont and Texas at the same time, and we have to make it work in New York City and Kansas at the same time.

And it is not always easy. The tendency of this committee, since I have been on it with people like Jim, is to try to trust the people in education to make as many of the judgments as possible.

And before we go on, I would just like to call your attention to the fact that this reauthorization probably goes further than we have ever been willing to go in the past in delegating authority to people at the institutional level to make decisions. We formerly had them sort of straitjacketed.

Some of this will actually save us money. We know that it will help us deal with other problems, like the unfortunate shift that has been taking place with low-income students from grants and loans, and it is going to make things work much quicker and more efficiently on the campus.

Until a few years ago, I am sure that the Congress would not have been willing to trust us to give the kind of authority to people at the institutional level and at the State level that this legislation seeks to give, but, I think, there is a reason why its time has come.

The reason is that the higher education community has matured with these programs over the past 20 years, and has demonstrated that they can make them work. And whereas, 10 years ago, and even when we were reauthorizing 6 years ago, there were still parts of the country without a functioning State guarantee agency and without access to private capital, and without any kind of coordinated understanding of the impact on students coming to or going from their States by these programs.

One doesn't find that across the country anymore. The community has responded. The professionals in the field of education are, in my view, using the resources that are available to student aid, as well as institutional aid, as effectively as anybody has ever used American taxpayers' dollars and with a greater payout.

I know of nowhere else that we make an investment with the people's dollars that has anywhere close to possibility of a payout in the future for the future of this country, both internally and externally, and for the quality of life and, indeed, our own self-esteem.

And the American people tell us over and over again that they sense this, and they also are telling us that in spite of all the rhetoric of a few years ago, the American people still hold a very, very strong confidence that the educational system in the United States is the best in the world.

We are the only country in the world where everyone is thought to be a potential benefiter from advanced education. We don't trap kids at the lower grades and pick them out and say, "Well, you are going to work in industry, and you are going to go on to the university," as our British friends do.

And we don't have a screening process built in that perpetuates a class system. We have had for a number of years a national policy that says, as Lyndon Johnson said when he sent in the legislation in 1965, paraphrasing, he said, "This legislation means—" in those days, Johnson was still only talking in terms of boys—"any body who graduates from high school any place in the United States, regardless of his income or color, can have hope that he can go to the type of institution that he can best benefit from, and that he can carry himself to the full extent of his abilities in achieving an educational opportunity."

That really has been at the core of the policy of this country. And when you contrast that with other countries, you will find that our American system produces the best, and we are the envy of the world for our higher education system, because it isn't a system.

We don't have a private education system, a public education system, or even a nonprofit education system, we have all of them. And if you want to pursue saddle making, we give you student aid for it.

And if you want to be a nuclear physicist, we will give you student aid. And, unlike other places, we place no higher priority on a nuclear physicist's educational opportunity than someone who wants to study the environment or the arts.

And that speaks well, I think, of a country where there is, indeed, direct participation, as we will have it today, from people in the field of education who, more than anybody else, deserve the credit for the development of these programs over the years, for their maintenance, and for, we hope, in the current process, their improvement.

And having said a lot more than I wanted, Jim, I will now recognize Mr. Jeffords of Vermont.

Mr. JEFFORDS. Thank you, Mr. Chairman.

I certainly want to express my deepest appreciation for your presence here. All of us that are involved in the higher education field, as so many are here today, recognize what you have done for higher education in this country. You are certainly Mr. Higher Ed in the House, if not Higher Ed in more broadly speaking terms.

It is a pleasure for us to have you here. I know of your efforts to develop this bill, by going around the country and listening to hun-

dreds of people. Your perseverance brought about a bill with dramatic support in the House which is really unusual in these times with a 350–67 vote. So it is a pleasure to have you here!

I would like to also note that we will have joining us soon two other Members of the House: Congressman Gunderson from the State of Wisconsin; and Congressman Tim Penny, from the State of Minnesota.

Their interest in the dairy program is strong both coming from dairy States. So we have more than one interest to share.

As already pointed out, we did a hearing here about a year ago, and as Bill Ford said last night, we come at dramatic times. Last year, we came right after Secretary Bennett let it be known that he was going to do away with the higher education program; and this year, we come after the budget has just come in.

So we are here at a time of great interest in this area. I think it is probably also the first time that we have held two hearings on one bill in the same State, but that goes to show how important Vermont's views are on this.

I would also, for that reason, thank all of you here, for your interest and involvement and commitment. It has proven invaluable to me and my staff in attempting to represent Vermont during these past several months when H.R. 3700 the Higher Education Amendments of 1985 were under consideration in the House.

I would also like to praise Senator Stafford, as to his involvement in this area. It is very critical now with the bill having moved out of the subcommittee in the Senate, and soon to come before the full committee, that we are able to work in close concert to be able to come out with the kind of program which will benefit Vermont. If you benefit Vermont, of course, you benefit the whole country, so we will keep that perspective.

I am very pleased that Polly Gault, who is on the staff this year, is here, and who has worked very, very hard on these programs. She is a very invaluable aid to the Senator and to the State of Vermont also.

Last year at these hearings, I said that I hoped that Congress would not only look to the immediate realities and needs of higher education, but also to what the future will require.

I believe that the House bill has largely achieved that aim. Chairman Ford is to be complimented for bringing forth a bipartisan piece of legislation that attempts to achieve a balance between contradictory forces of the concerns of the higher education community, including students and parents faced with escalating costs in postsecondary education, and the concerns that we all share as a nation over the mounting Federal deficit.

And I would like to announce a very timely entrance, after I just told everyone you were coming, we are very pleased to see you here, on my left is Congressman Gunderson from the great State of Wisconsin. We still argue about whose cheese is best, but we will continue that one from now into the future.

Of course, Tim Penny also feels that they have some good dairy products up in the good State of Minnesota, and we are pleased to have you with us.

I would say that these are two young and very thoughtful and aggressive Members of Congress have been helpful in, not only as I

mentioned, dairy but also in the areas of education. So it is a real pleasure to have you both with us today.

I will stop at this point and allow either of the gentlemen who wish to make a statement; but Bill, I will turn it back to you as the chairman.

Mr. FORD. Thank you, Jim.

I finally figured it out. In this game, you try to figure out what these fellows are really up to, and you know, I have been talking about all this bipartisan cooperation, and then I find out I am outnumbered 3 to 1 by dairy people at the table. I am beginning to get a message.

So, it wouldn't surprise me at all if somebody pops up on the panel today to talk about milk prices and dairy product prices.

But I would like to recognize the two other members who have come. They have been very active participants in the constructing of the reauthorization up to this point.

First, the member from the State of Minnesota, who has served on the committee for several years now, and is one of the careful fellows with a sharp pencil who keeps us honest on spending money. He is a very tightfisted Minnesotan with a good sense of what is good for education, Tim Penny.

Mr. PENNY. Thank you, Mr. Chairman.

I am happy to be in Vermont. I have never been here before, which was part of the attraction to come to this field hearing. But I do look forward to hearing from the education community here today.

We were asking the driver on the way in from the airport about the campuses in town, and was impressed to find out you have four campuses right here in Burlington, which accounts for why you are holding the hearing here in City Hall. You can't shuttle us to four different campuses in 1 day.

But I look forward to the testimony from folks, though we have completed much of our—all of our work in the House on this legislation. Once the Senate gets their job done, we have still got to work with them in a conference committee to pin down the final details of the legislation, and so it is certainly important that we learn more about what you are expecting out of that final product, and again, that is our purpose here today.

Mr. FORD. And from the great State of Wisconsin, which believes that it is the dairy capital of the world, and indeed, you can understand part of the problem I had, not only these two gentlemen on my left were up to their ears in the agriculture bill, while we were at the same time trying to mark up higher education, but some of my Democratic friends were also involved in it.

And then when you look at the committee, there is an interesting thing. When you put Iowa, Missouri, and the other States in there, we had an awful lot of people who were involved in the farm bill at the same time. So I had to compete with the agricultural interests for their bodies, to keep quorums alive, and they did a fine job.

And Steve was very active in both of those and in both debates on the floor. Steve Gunderson of Wisconsin.

Mr. GUNDERSON. Thank you, Mr. Chairman.

And I want to assure my colleague, Mr. Jeffords, that while Tim and I rode on the plane up here from Washington, we figured out how to keep the dairy industry in the Midwest. We are not sure what that means for Vermont, but we will let you look at our plan in the future.

Actually, I have had the unique privilege of serving with Jim on two committees, the Ag and the Education Committee, ever since I came to Congress in 1980, and we have had the mutual labor of love, both in the dairy area and higher education.

I can tell you, I come from the No. 1, yet, dairy producing district in the country, and also a district with some 46,000 postsecondary students, so I have this unique combination which has certainly enabled me to follow not only Jim's leadership in both areas, but Chairman Ford's as well.

One thing we did not succeed in doing at the House level that we may have to consider in reauthorization before we complete our work in conference, is to put in some kind of an agricultural title in the higher education bill.

And I think those of you who are involved in both areas know that that is only partially facetious, because as you look at the new changing technology in American agriculture and the dairy industry, we are not talking about laborers without management or educational skills surviving in agriculture in the future.

There is very clearly going to be a partnership there in any area of this country which does survive. I would suggest our committee is also going to have its work cut out for it this year in other areas as well, even though we have completed reauthorization.

If any of you have read the President's budget proposals over the last week, as I have, I think this alone offers great opportunity for discussion, at a minimum, and challenges us to determine exactly how we plan to maintain our commitment and the necessary role that the Federal Government and all of higher education must play in the future of this country.

So, with that, it is great for me to be back to Vermont. I have been here before, and I must confess to you, I have dumped a lot of vacation dollars in Vermont in the past. I am only hopeful that Mr. Jeffords will reciprocate sometime in the near future.

Thank you.

Mr. FORD. Our first witness today will be Dr. Steward LaCasce, president of Burlington College and past president of the Vermont Higher Education Council.

Dr. LaCasce, it is a pleasure to have you here. Without objection, your prepared statement will be inserted in full in the record, and you may proceed and add to it, highlight it, or summarize it, and comment on it in any way you find most comfortable.

STATEMENT OF DR. STEWARD LaCASCE, PRESIDENT, BURLINGTON COLLEGE; PAST PRESIDENT, VERMONT HIGHER EDUCATION COUNCIL

Mr. LACASCE. What I may do is abbreviate it, since I know that you are on a very tight schedule today.

It is my privilege to welcome you all here on behalf of the Higher Education Council. I would like to correct Mr. Penny's im-

pression that there are four institutions in the greater Burlington area. There are, in fact, six, my institution being one of the six; the Community College of Vermont, which does not have a campus, as does mine, probably being the two that your driver overlooked.

It was just a year ago, as you have mentioned, that there was a joint hearing of the House and the Senate in Vermont, to hear the opinions of Vermont concerning the reauthorization of the Higher Education Act.

The recommendations that were presented at that hearing grew out of at least a year-long study by the Vermont Higher Education Council, which includes in it all sectors of the higher education community. All sectors participated in that study, the University of Vermont, the Vermont State colleges, the independent colleges, and the Vermont Student Assistance Corp.

The final product of our work, which took us over a year to prepare, was unanimously adopted by the council and has come to be known as the Bible, and we carry it around with us and refer to it frequently, as we are looking at the various bills and drafts that come out.

Today's hearing was organized by a special committee appointed by the current president of the Vermont Higher Education Council to monitor the Reauthorization Act as it works its way through Congress.

The committee is known by our Congressmen and our two Senators as the DAM committee, a title derived from our motto, "Don't Anyone Mess—DAM—with Vermont."

The DAM committee is also composed of representatives from all sectors of higher education, and its authority as we are working our way through—as you are working your way through the bill, is the draft that we all worked on so hard together, the Bible.

In preparing for today's testimony, the DAM committee circulated a side-by-side of the title IV, in particular, that compared Vermont's position with the House bill and with the Senate draft.

Committee members were also briefed by members of the DAM committee, so what you will hear today is pretty much Vermont's unified position concerning the relative merits of the two versions of the Higher Education Act.

In closing, I would like to make one observation: Vermont is a very small State. The number of students that we have here is small, when compared with most other States. Our smallness, however, is, in our opinion, a source of our strength.

We all know each other. We all talk to each other, and for the most part, we work together in the interests of higher education. And being small, we also know who our students are usually by name, not by number.

We know their aspirations and we know their needs. Never during our almost 3 years of work on reauthorization have the aspirations and needs of our students been anywhere but the center of our deliberations.

It is our hope that when our elected officials begin work on the conference committee that resolves differences between the House and Senate versions of the Reauthorization Act, that they will each understand clearly the wishes of their constituents back home.

Thank you.

[Prepared statement of Steward LaCasce follows:]

PREPARED STATEMENT OF DR. STEWARD LACASCE, PRESIDENT, BURLINGTON COLLEGE, PAST PRESIDENT, VERMONT HIGHER EDUCATION COUNCIL

Congressman Jeffords, Ford etc.

It is my privilege to introduce today's hearing, and to say, for all of us, that we greatly appreciate this opportunity to present our views.

It was just a year ago that Vermont's recommendations concerning Reauthorization of the Higher Education Act were presented to a Congressional hearing co-sponsored by Senator Stafford and Representative Jeffords. The recommendations grew out of a year-long study of the Act prepared by the Vermont Higher Education Council. All sectors of the higher education community participated in the study: the University of Vermont, Vermont State Colleges, Vermont's Independent Colleges, and the Vermont Student Assistance Corporation. The final report was unanimously adopted by the Council, and has come to be known as "The Bible."

Today's hearing was organized by a special Committee appointed by the President of the Higher Education Council to monitor the Reauthorization Act as it works its way through Congress. The committee is known by our Congressman and Senators as the DAM Committee—a title derived from our motto: "Don't Anyone Mess—D-A-M—with Vermont." The DAM Committee is also composed of representatives from all sectors of higher education, and its authority is derived from our "Bible."

In preparing for today's testimony, the DAM Committee circulated a side-by-side for Title IV that compares Vermont's position with the House bill and the Senate draft. Committee members also briefed participants on the three Title IV panels. What you will hear, then, is Vermont's unified opinion concerning the relative merits of the two versions of the Reauthorization Act.

In closing, I would like to make one observation. Vermont is a small state, and the number of students we have is small when compared with most other states. But our smallness is a source of our strength. We all know each other, talk to each other and for the most part, work together in the interest of all of higher education. And being small, we know who our students are—by name, not number. We know their aspirations and their needs. Never, during our almost three years' of work on the Reauthorization Act, have the aspirations and needs of our students been anywhere but at the center of our deliberations. It is our hope that when our elected officials begin work on the Conference Committee that resolves differences between the House and Senate versions of the Reauthorization Act, they will each understand clearly the wishes of their constituents back home.

Mr. FORD. Thank you very much.

Before we go on, I should have made this announcement sooner. It has already been called to my attention that there are people here who would like to join in presenting and preparing the record of this proceeding.

Obviously, with the kind of time constraints we are operating under, we can't have everyone, who would like to, speak today.

But I want to extend to everyone who is here and those who you know of who aren't here who would like to have their views, with respect to anything that is said here today, or what has been done, their own ideas incorporated in this record, to submit them to the committee, and we will be pleased to include them in the record contemporaneously with today's proceedings.

So, if you are here in the audience and you are provoked in any way, I hope in a positive way, by any thought that comes up share it with us. Just simply send us a letter or send it to Congressman Jeffords' office, and your opinions, agreements, disagreements or ideas will be included in the record in the same way as those who appear in person today to testify.

Dr. LaCasce, I want to thank you for your statement. I had an opportunity to chat with you last evening, and I applaud the DAM committee for what it is trying to do.

I wish that my people had the wit to give me a chance to talk about a DAM committee without getting into trouble. They haven't done that yet in the stolid Midwest.

Jim.

Mr. JEFFORDS. Thank you very much.

First, I wanted to let you know that when we do hold these hearings, some people say, "Oh, what will you guys do with that stuff?" You know, once we leave here, it is all buried. But it does become a permanent part of the record, and we do review it in order to ascertain what the gems of wisdom we have received on the trail.

This is last year's hearing which was held on Love Day, February 14. We were all here and talked about our common interests—yours is on page 5, Doctor.

So, I want to let everyone know that we do take great pains to make sure that we do review and make permanent the testimony that we get in these hearings.

I just want to thank you, the DAM committee, and all the members of the Vermont Higher Education Council. I think it is a tribute to this State that we have such tremendous leaders in the higher education field.

I know I am proud, for instance, when I look at the records, and see how the University of Vermont is one of the top educational institutions in the United States.

I am proud when I see other institutions in this State highly acclaimed throughout the country as being experts and having the kind of educational opportunities that our young people really need to be able to survive in this world. That is perhaps one of the reasons, which is on a less positive vein, that we are probably one of the greatest exporters, per capita, of young people to the rest of the country; and as you go through history, you recognize how important that is.

I mean, such startling facts as we have had more Presidents and Vice Presidents per capita from Vermont than any other State. Of course, when you understand how statistics work out, it is a tribute.

And I appreciate that. In fact, I think one of the best things that I have ascertained is that when we get into these difficult questions of how we try to maximize our resources, Vermont shines, over and over again; thanks to people like Ron Iverson, Britta Anderson, and VSAC, who have really done an excellent job in managing the financial resources in this area.

We see how Vermont is a leader in such things as low default rates and such things as fewer people using the independent student status. It makes me proud!

And that is why I am not afraid to have a higher education bill structured entirely after Vermont's interest, because I know it would be totally in the Nation's interest. And thank you very much for your tremendous work, you and Sister Janice Ryan in particular, who have really helped me with the DAM committee and others, to keep on the straight and narrow here.

Thank you.

Mr. FORD. Mr. Penny.

Mr. PENNY. I have no questions.

Mr. FORD. Mr. Gunderson.

Mr. GUNDERSON. No questions.

Mr. FORD. Thank you very much.

The next panel will be Dr. Lattie Coor, president of the University of Vermont; David Myette, director of financial aid, Champlain College; Terry Van Zile, associate director of financial, University of Vermont; Donald Vickers, assistant executive director of the Vermont Student Assistance Corp.; and Lisa Pelkey, a student at Trinity College.

Without objection, the prepared statements each of you have submitted to the committee will be included in full in the record so you may direct your comments to highlight, supplement, or editorialize, if you will, on the prepared statement.

I would like to start with Dr. Coor.

STATEMENT OF LATTIE F. COOR, PRESIDENT OF THE UNIVERSITY OF VERMONT

Mr. COOR. Thank you very much, Mr. Chairman, members of the committee.

It is a pleasure to have this committee in Vermont, and especially to have its chairman back in Vermont. History records that when this committee and its chairman come to Vermont, good things happen, not only as you have discerned, that is what is good for Vermont is indeed good for the Nation, because of the quality of leadership we have known here for many, many years.

I have had the pleasure of knowing and working with your chairman close to 25 years, I guess it is now, if we trace back to Michigan days, and it comes as no surprise to any of us that the match of leadership in the chair, along with our distinguished Congressman and the leadership he provided, and now very happily in the leadership, Senator Stafford provides—makes Vermont an appropriate forum in which to talk about Federal higher education policy.

I have submitted written testimony, and had the opportunity almost 1 year ago today to comment on the legislation before you. Rather than taking the limited time we have to speak in detail about that, let me speak to three items today, which I hope will be helpful to you and to the record, as you start to sort through the process as it now goes forward.

I do want to salute the committee for the work it has done, and the rather remarkable vote you delivered on the floor of the House on the 4th of December.

Given the environment with which these hearings began 1 year ago, none of us, Congressman Jeffords, were sure that a bill in fact would emerge, and it is a real tribute to the work of the committee that it has emerged and has emerged with the qualities that it has.

Three things I would like to comment on: First, I would like to underscore for this committee the importance of getting a bill passed and signed this year. I am assuming that will happen, although I heard some troubling words that, given the complexity of matters and congestion of events on the Senate side, there could be some delays that could move us perilously close to the end of this session.

And in an election year, that could be serious, indeed.

I urge it for two reasons: First, never, in my view, has there been a more important time for reauthorization itself to be tethered. The quality of the bill you have delivered, the quality of the bill that is being worked on now from the subcommittee in the Senate, on its way to the full committee, give us that tether.

They have the right basic principles there. But if they are not completed, given all that is happening, especially with the Gramm-Rudman effect, I think it could put us all in some jeopardy.

Second, I believe it is important, a matter I have now thrice spoken to this committee about, because I do believe the executive branch, the White House, is not committed to the continuation of the principle of universality in access, that has been embraced in Federal policy in the last 20 years.

I am not sure why, and when I testified before your committee in 1980, I urged that the budget figures showed some limited access or some limited commitment to that access.

I now see the trail as a sufficiently consistent one to believe that the commitment currently embraced in the law is not a commitment shared by the executive branch of this Government.

Therefore, I urge, as my dominant point to you today, the completion of your work, now already through the House, the passage of this bill and its signing into law, so that we can be assured the reauthorization on which we have all worked, will in fact take place.

Second, though it is not technically a part of the reauthorization itself, I would like to say a word about the impacts of Gramm-Rudman and the impact of the fiscal year 1987 proposals by the President.

For, as Congressman Jeffords mentions, the past hearing of this committee in this community was presaged by comments about the role of the Federal Government in higher education by Secretary Bennett.

I now find it being presaged by some very serious questions about the funding effects on what you are in the process of reauthorizing.

Let me just cite two basic sets of figures and provide them in addition later, if the committee would like.

First, we have already seen the effects of inflation on a program authorized and appropriated by this Congress. A drop in the value of Pell grants by 26 percent alone in just the last 5 years, because of the effects of the constant dollar.

And second, my figures show that the loan programs, which in the original architecture of this legislation, refined by each of the subsequent three authorizations, programs that were intended to be supplemental have now become central.

My own figures show that we now rely to 58 percent of all the federally-supported activity as loans. The material Charlie Saunders from ACE has just distributed to you that I have seen this morning suggest it is as high as 62 percent.

So, we are already seeing the budget process drive very significant features in the authorized language, and now I find the impact of the fiscal year 1987 budget proposals from the President having even greater effect.

Let me cite the figures as best we can analyze them for the University of Vermont. The fiscal year 1987 budget, as proposed, would reduce our Pell and campus-based program aid from its current level of $4.3 million to $2.1 million in fiscal year 1987.

That, in one single year, Mr. Chairman, is a 49-percent decline in that basic grant program, the bedrock of the whole title IV of higher education.

Of the 1,300 current Pell grant recipients at the University of Vermont, this would mean, in our judgment 356 would no longer be eligible, or would have significant reductions in their awards.

The Supplemental Educational Opportunity Grant would be cut by $392,000 from the current number of 1,742 recipients, 500 of whom would either lose their eligibility or have their aid reduced by approximately $300.

The work grant reduction in the proposed budget would be $706,000 decreased, and Work Study would show a decrease of $987,000 lost, and would affect 66 percent of our Work Study students, that is 770 young people currently on our campus.

They would either lose Work Study eligibility altogether, or have their awards reduced by an average of $840.

In summary, Mr. Chairman, while authorization and conference and the reconciliation is the task before your committee, it is my interest and that of my colleagues that we all keep an eye on financial consequences of current budget proposals.

This is not the moment to discuss that in detail, though I will tell you that in other fora, I have urged that a question of the entire impact of financial reduction be examined, including what I believe to be the need for revenue increases at the same time there is consideration of revenue reduction.

And finally, there are specific items embraced in my formal testimony to the committee that I will simply enumerate here as they relate to your markup and to the House vote.

First, we applaud the decentralization of the administration of the Pell Grant Program, and we do have some suggestions as to how that might best be carried into and through conference.

Second, the extension of the Pell grants to less than half-time students has our endorsement, but we would urge you, please, not at the expense of those students already authorized, so that becomes then a juxtaposition of authorization to finance.

Third, we would urge eligibility on the basis of a full needs analysis and not on some arbitrary income level.

And finally, we applaud the committee's endorsement that standards of satisfactory progress be institutionally defined, rather than defined by a single measure.

In conclusion, Mr. Chairman, it is a pleasure to have this committee back. You have taken a giant step toward the reauthorization of the most important piece of legislation as it affects higher education in this country.

We stand ready to help you and to help the Senate committee in reconciliation, in our hopes the completed bill will be passed and signed this year.

[Prepared statement of Dr. Lattie Coor follows:]

PREPARED STATEMENT OF LATTIE F. COOR, PRESIDENT OF THE UNIVERSITY OF VERMONT

I am pleased to welcome back to Burlington, Vermont, two of the strongest advocates for higher education that have ever served in the United States House of Representatives. I am particularly happy to have Congressman William Ford visit us again, for my association with him extends to a time, more than a score of years ago, when we both served the public interest in Michigan. And, of course, it is good to greet our own Jim Jeffords. Vermont has been well served by Jim, and I have valued my association with him in this past decade.

Both of you gentlemen have done much to strengthen higher education throughout our nation, and I hope that you will be able to overcome those forces that now seek to undo so much of what you have accomplished. We are gathered today to speak about the reauthorization of the Higher Education Act of 1965, and I want, first, to express my appreciation and my congratulations for your joint success in moving H.R. 3700 through the House. Those of us in Vermont are delighted to find that your House bill incorporates many of the features that Vermont's higher education community has recommended as desirable in reauthorization. The final form of the reauthorization legislation must await Senate action on a bill developed by Senator Robert Stafford's subcommittee and then a committee of conference to reconcile the differences between the two bills. I suspect that both of you gentlemen are likely to be on that conference committee. I intend to address some issues that I regard as important for the final form of the reauthorization act to take.

I want, as well, to express my very grave concern about the way in which the very important role of the authorizing committees in formulating public policy is being nullified by the President's budget and by the Gramm-Rudman-Hollings act. The federal budget deficit and the mounting public debt are serious problems that require a serious and responsible commitment to finding a solution. The ideological foundations of the President's budget are not consistent with sound management of the government's business. Economists have laid before the Congress evidence that the rising deficits of the past five years are directly attributable to reductions in tax receipts, increased payments of interest on the debt, and increased expenditures in defense, while reductions in other programs, including education, have been the only offset to the size of those deficits. The Congress and the Executive have a duty to address these issues as matters of policy. I find it unconscionable that the automatic trigger mechanisms of the so-called Balanced Budget and Emergency Deficit Control Act of 1985 would supplant that responsibility of the Congress and the President.

Let me set that matter aside for now, returning to it perhaps in response to your questions to me. We have much to talk about today in the reauthorization of the Higher Education Act. We are beginning with the student financial assistance programs of Title IV, and, more particularly on this panel, with the Pell Grants.

The Pell Grants, once called the Basic Educational Opportunity Grants, are the foundation on which the whole structure of student financial assistance is constructed throughout this country. The Pell Grant provides the baseline for meeting the particular needs of a student, packaging other federal programs of grants, loans, or work-study wages, state incentive grants like those of the Vermont Student Assistance Corporation, and scholarship funds available from a college or university itself. The soundness of the Pell Grant program is essential to the soundness of the entire structure of student financial assistance.

I am concerned about a number of features about the Pell Grants in the legislation that may emerge from both House and Senate action on reauthorization.

My colleagues and I, both here in Vermont and throughout the nation, have suggested that decentralizing the Pell Grant program by eliminating the Central Processor could expedite the packaging of financial aid for students. I am pleased that the House bill provides discretion for institutions to correct award errors, but the mechanisms for delay are still present. I would like to see both the House and the Senate agree on a new way to get decisions on Pell Grants made quickly while still providing protections against abuses. Failing that, I hope that you would get the Senate to agree with the partial solution to delays that you have proposed in your bill.

The extension of Pell Grants to less-than-half-time students is a worthy objective, but it should be accomplished only by assuring that Pell Grant support for those already eligible is not eroded. I fear that increased appropriations would be required, and the likelihood of that outcome is poor. Certainly, there is a need for analysis to be done by committee staff or by the Congressional Budget Office on the probable impact of expanded eligibility for those currently eligible.

I also believe it important that eligibility be based on a full needs analysis and not on some arbitrary income level. I ask that you watch for that problem when you go to conference.

I am pleased to see that your House bill follows our recommendations in Vermont on standards of satisfactory progress. This is a matter best left to the academic community and not made a matter of public policy. The community of colleges and universities has established mechanisms for assessing institutional quality through accreditation, and, recognizing differences among colleges and universities in terms of the abilities of their students and the rigor of their requirements, we should accept an accredited institution's standards for satisfactory academic performance by its students. If there is abuse, the mechanisms of accreditation should provide a corrective. I hope that, if this is a matter of conflict between the House and Senate bills, you will hold firm to the proposition that the federal government should not dictate to the academic community what the standards of satisfactory progress for students should be.

Finally, there is the matter of authorization levels for the Pell Grants. The machinations of the budget process and of the Gramm-Rudman-Hollings act may yield appropriations that fall short of full authorization levels, but there is a need to make clear what sound public policy should dictate the levels of support to be. You are making recommendations about investments in the future of this nation, and the nation needs the benefit of your best advice.

Mr. FORD. Thank you very much.

We will hear from all the panel before we have questions. But I would like to ask unanimous consent to include at this point in the record the Overview of Fiscal Year 1987 Education Department Budget for Higher Education by Charles B. Saunders, Jr., vice president for governmental relations, American Council for Education and former bureaucrat in the Nixon administration, dated February 5, 1986.

Without objection, it will be inserted in the record at this point.

[Prepared statement of Charles Saunders follows:]

PREPARED STATEMENT OF CHARLES B. SAUNDERS, JR., VICE PRESIDENT FOR GOVERNMENTAL RELATIONS, AMERICAN COUNCIL ON EDUCATION

President Reagan's budget for higher education would impose major reductions on student aid programs with a "triple-whammy":

(1) Proposed changes in the Guaranteed Student Loan Program threaten the collapse of the entire program, which accounts for 62 percent of total federal financial assistance. Banks may pull out of the program if the special allowance is reduced and the in-school interest subsidy is eliminated as the budget proposes. The current program, costing $3 billion, supports over $9 billion in annual loan volume for over 3 million students.

(2) Some 1,186,000 students would be dropped from eligibility for other programs already appropriated for fiscal year 86 and scheduled for allotment this fall. These cuts would triple the losses already suffered by the initial sequestration under the Gramm-Rudman deficit reduction act. They would be accomplished by applying the reduction schedule which the law requires when Pell funding is insufficient, and by rescissions in other programs to eliminate State Student Incentive Grants and Direct Loan capital contributions and to reduce funding for Supplemental Grants and College Work-Study.

The reduction of Pell awards will be necessary because the Administration is not requesting a supplemental appropriation to make up a $215 million funding shortfall and the $154 million sequestered by Gramm-Rudman. This will drop 290,000 middle-income eligibles from the program and reduce awards for another 500,000 recipients with family income between $12,000 and $20,000. Recissions would cut another 304,000 awards by eliminating the State Student Incentive Grant program; 202,000 awards by eliminating capital contributions to the Direct Loan program; 271,000 awards by cutting Supplemental Grants $155 million; and 119,000 awards by cutting College Work-Study $90 million from the original appropriation.

Another 2,100 awards to needy students would be lost by proposed rescissions to eliminate all graduate fellowship programs funded for this fall. Special services under the TRIO program, serving over 460,000 students, would be cut in half by another proposed rescission.

(3) The third phase of the Administration's triple whammy against student aid programs, its fiscal year 87 proposals, would take effect in Academic Year 1987-88. Further proposed restrictions of Pell Grant eligibility would cut funding by $800 million below the amount needed to fund a $2,100 maximum, making it serve 816,000 fewer eligibles than the current program. Supplemental Grants and College Work-Study would be eliminated, and replaced by a new work/grant program which would provide 681,000 fewer awards and require institutions to provide 50 percent matching funds by 1990-91. The Direct Loan program would also be replaced by a new, unsubsidized and substantially higher-interest loan program (instead of 5 percent, T-bill rates plus 3 percent accrued and compounded in school and repaid for the life of the loan on an income contingent basis) which would serve an estimated 411,000 fewer students. With the repeal of SSIG, this would provide some two million fewer awards than the fiscal year 86 appropriation.

The Administration's revised Guaranteed Loan Program would serve an estimated 3,251,000 borrowers (619,000 fewer than currently), who would pay interest at T-bill rates until the third year of repayment, with in-school interest accrued and compounded; T-bill rates plus 3 percent thereafter (currently borrowers are charged 8 percent, paid by the government while in school). Eligibility for unsubsidized PLUS loans would be expanded, increasing the number of borrowers participating by an estimated 343,000.

The fiscal year 87 proposals also assume the elimination of all graduate fellowships, and the continuation of the TRIO program at half its current level.

In summary, the Administration's student aid proposals would eliminate or reduce awards for over three million students, whose only alternative source of assistance would be loans carrying a significantly higher burden of debt. Loan availability could be drastically curtailed, however, if the proposed GSL changes cause lenders to pull out and collapse the program.

CATEGORICAL SUPPORT

Institutional aid for developing institutions ($141 million) and Minority Institutions Science Improvement ($5 million) are the only higher education programs which would retain current funding levels, but they would be recast in new legislative proposals for institutional and program development. The Fund for the Improvement of Postsecondary Education would be cut $2 million in fiscal year 86 and level-funded at $10 million in fiscal year 87.

Twelve categorical support programs would be eliminated by rescissions in the current (FY 86) budget, and no funds would be requested for them in fiscal year 87. They include such priorities as international studies domestic and overseas programs, research libraries and library training, graduate and professional opportunities fellowships, and national graduate fellowships, as well as public service fellowships, law school clinical experience, legal training for the disadvantaged (CLEO), cooperative education, veterans cost of instruction, and Perkins Scholarships for prospective teachers.

Academic facilities grants would be eliminated by rescission in fiscal year 86, as would new loan authority for college housing. Loan authority for academic facilities would be discontinued in fiscal year 87.

In other programs of interest to higher education, only the Department's research program would receive an increase: the combined request for NIE and NCES shows a $10 million boost for fiscal year 87.

The Perkins Vocational Education Program would be reduced by $210 million in fiscal year 86, and cut to $401 million—half its current level—in fiscal year 87. The Women's Educational Equity Act would again be targeted for elimination in fiscal year 86.

Following is a table showing the fiscal year 86 appropriation, the reductions made by the Gramm-Rudman sequestration, further reductions proposed by the Administration through rescissions, and its fiscal year 87 request:

ADMINISTRATION BUDGET FOR HIGHER EDUCATION ACT AND RELATED PROGRAMS

	Fiscal year 1986 appropriations	Gramm-Rudman fiscal year 1986 reductions	Administration request	
			Fiscal year 1986 revisions (after Gramm-Rudman)	Fiscal year 1987
Student Aid:				
Pell grants	3.588 B	−154.3 M		[2] 3.250 B
SEOG	412.5 M	−17.7 M	−137.3 M	0
CWS	592.5 M	−25.5 M	−64.5 M	[1] 400 M
NDSL	190 M	−8.2 M	0	[1] 190 M
SSIG	76 M	−3.3 M	0	0
Total	4.860 B	−209 M		3.840 B
GSL	3.300 B	−34.1 M		[1] 2.300 B
TRIO	176.4 M	−7.6 M	−86.4 M	[1] 82.4 M
Libraries:				
Training	1 M	−.1 M	0	0
Resrch. libr	6 M	−.3 M	0	0
Developing institutions	141.2 M	−6.1 M		[1] 141.2 M
Veterans cost of instruction	3 M	−.1 M	0	0
International studies	26.6 M	−1.1 M	0	0
Fulbright-Hays	5.5 M	−.2 M	0	0
Academic facilities grants	10 M	−.4 M	−9.6 M	0
Coop. Ed	14.4 M	−.6 M	0	0
Graduate ed. support:				
GPOP	11.8 M	−.5 M	0	0
Public Service	2.5 M	−.1 M	0	0
Natl. Grad. Fellowships	2.5 M	−.1 M	0	0
CLEO	1.5 M	−.1 M	0	0
Law School Clin. Exp	1.5 M	−.1 M	0	0
Fund for the improvement of postsecondary ed	12.7 M	−.5 M	−2.2 M	10 M
Perkins scholarships	10 M	−.4 M	0	0
Minority institutions science improvement	5 M	−.2 M		5 M
Nat. Inst. of Ed	51.2 M	−2.2 M		70.2 M
Nat. Cntr. for Ed. Stat	8.7 M	−.4 M		
Voc. Ed	838.8 M	−36.1 M	−210.3 M	400.9 M
Women's Ed. Equity	6 M	−.3 M	0	0

[1] Legislation proposed to replace current programs.
[2] Includes $250 million earmarked for shortfalls.

Mr. FORD. The next person is David Myette, director of financial aid at Champlain.

STATEMENT OF DAVID B. MYETTE, DIRECTOR OF FINANCIAL AID, CHAMPLAIN COLLEGE

Mr. MYETTE. Chairman Ford, Congressman Jeffords, Congressman Penny, and Congressman Gunderson: My name is David Myette——

Mr. JEFFORDS. Would you pull the microphone right over next to you? People in back are having difficulty hearing you. Thank you.

Mr. MYETTE. My name is David Myette, director of financial aid at Champlain College.

As chairman of the Vermont Association of Student Financial Aid Administrators' Reauthorization Committee, I would like to take this opportunity to express our appreciation to the House Subcommittee on Postsecondary Education and the Senate Subcommittee on Education, Arts and the Humanities for the serious considerations of the recommendations of the higher education communi-

ty in Vermont, and the implementation of several of our recommendations on the reauthorization of the Higher Education Act.

I have been asked to speak to you today on the Pell Grant Program, and I would like to open with a sincere thank you on behalf of both students and financial aid administrators for the provision which enables institutions, at their option, to recalculate the amount of Pell grant when the institution discovers that there is a change in circumstances or an error in the application data that affects the amount of the student's eligibility.

Pell grants, which for many students is the largest grant resource available to meet their educational costs, has accomplished the goal of opening up the doors to higher education to needy students who otherwise would have been unable to afford to attend.

The process, however, has been an administrative nightmare for both students and institutions since the program's inception. Numerous reprocessing of student aid reports and delays of several months, particularly for those students selected for validation, became the rule rather than the exception.

This resulted in understandable frustration on the part of the students and serious cash-flow problems for many institutions. Consequently, the provision in the House bill to allow institutions to recalculate is, in my opinion, one of the major accomplishments of this reauthorization legislation.

The Vermont proposal did carry this procedure one step further in recommending complete elimination of the central processor. We still feel this is a viable recommendation, which deserves serious consideration, and if accomplished, would be a tremendous savings for the Federal Government.

The next provision which I would like to address is the expansion of the Pell grants to less than half-time students. I commend you for your concern for this segment of the needy student population.

However, I am concerned with the impact this may have on the dollars available to students enrolled half-time or more in a time of potentially drastic reductions in appropriations.

I urge you to request that an impact study be done, which I suspect would show a major shift in dollars to States with large community college populations, a population which already benefits from significantly lower tuition costs.

Recognizing that the needs of less than half-time students should be addressed, perhaps this responsibility should be assumed by the States through their State grant program funds.

This would accomplish the goal of meeting the students' needs without penalizing students who come from States with a relatively fewer number of students in this category.

Recognizing the Federal budget constraints, and the potentially drastic reductions in student aid over the next several years, I feel it is important, however, if only in principle, to emphasize the need for significant increases in authorization levels for the Pell Grant Program.

I commend for your willingness to increase the loan limits in the Guaranteed Student Loan Program. However, we must continue to strive for a realistic balance of grant assistance and loan burden to

prevent needy students from being forced into indebtedness, which they simply will not be able to handle.

The last issue I would like to address is the need for both the House and the Senate to be aware of the dangers of targeting financial aid dollars to students based on income alone.

I am sure you are aware that the uniform methodology, a methodology which I know you support, looks at many factors in determining the needs of a family for financial assistance.

Consequently, any targeting of programs based on income alone has the potential of eliminating truly needy students from aid programs for which they are presently eligible. I, therefore, ask you to keep that in mind when the House and Senate conferees meet this summer.

Let me close by saying that when I finished reading the House bill, I admittedly had some concerns with certain provisions. However, my overall feeling was one of pleasure and satisfaction that the extensive work done by the higher education community in the State of Vermont had not been in vain.

So, on behalf of dedicated financial aid administrators, and in particular needy students, I would like to thank you for your commitment to higher education.

[Prepared statement of David Myette follows:]

PREPARED STATEMENT OF DAVID B. MYETTE, DIRECTOR OF FINANCIAL AID, CHAMPLAIN COLLEGE

Congressman Ford and Congressman Jeffords, I am David Myette, Director of Financial Aid at Champlain College.

As chairman of the Vermont Association of Student Financial Aid Administrators Reauthorization Committee, I would like to take this opportunity to express our appreciation to the House Subcommittee on Post-Secondary Education and the Senate Subcommittee on Education, Arts, and the Humanities for the serious consideration of the recommendations of the higher education community in Vermont and the implementation of several of our recommendations.

I have been asked to speak to you today on the Pell Grant program, and I would like to open with a sincere thank you on behalf of both students and financial aid administrators for the provision which enables institutions, at their option, to recalculate the amount of Pell Grant when the institution discovers that there is a change in circumstances or an error in the application data that effects the amount of the student's eligibility.

Pell Grants, which for many students is the largest grant resource available to meet their educational costs, has accomplished the goal of opening up the doors to higher education to needy students who otherwise would have been unable to afford to attend. The process, however, has been an administrative nightmare for both students and institutions since the programs inception. Numerous reprocessing of Student Aid Reports and delays of several months, particularly for those students selected for validation, became the rule rather than the exception. This resulted in understandable frustration on the part of students and serious cash flow problems for many institutions. Consequently, the provision in the House bill to allow institutions to recalculate is, in my opinion, one of the major accomplishments of this reauthorization legislation.

The Vermont proposal did carry this procedure one step further in recommending complete elimination of the central processor. We still feel this is a viable recommendation which deserves serious consideration, and, if accomplished, would be a tremendous savings to the federal government.

The next provision which I would like to address is the expansion of Pell Grants to less than half-time students. I commend you for your concern for this segment of the needy student population, however, I am concerned with the impact this may have on the dollars available to students enrolled half-time and more in a time of potentially drastic reductions in appropriations. Although I do not have statistics to back me up, I suspect that we would potentially see a major shift in dollars to states

with large community college populations, a population which already benefits from significantly lower tuition costs.

Recognizing that the needs of less than half-time students should be addressed, perhaps this responsibility should be assumed by the states through their state grant program funds. This would accomplish the goal of meeting the students' needs without penalizing students who come from states with relatively fewer number of students in this category.

Recognizing the federal budget constraints, and the potentially drastic reduction in student aid over the next several years, I feel it is important, however, if only in principle, to emphasize the need for significant increases in the authorization levels for the Pell Grant program.

I commend you for your willingness to increase the loan limits in the Guaranteed Student Loan program, however, we must continue to strive for a realistic balance of grant assistance and loan burden to prevent needy students from being forced into indebtedness which they simply will not be able to handle.

The last issue I would like to address is the need for both the House and the Senate to be aware of the dangers of targeting financial aid to students based on income alone. I am sure you are aware that the uniform methodology, a methodology which I know you support, looks at many factors in determining the needs of a family for financial assistance. Consequently, any targeting of programs based on income alone has the potential of eliminating truly needy students from aid programs for which they are presently eligible. I therefore ask you to keep that in mind when the House and Senate conferees meet this summer.

Let me close by saying that when I finished reading the House bill, I admittedly had some concerns with certain provisions, however, my overall feeling was one of pleasure and satisfaction that the extensive work done by the higher education community in the State of Vermont had not been in vain. So, on behalf of dedicated financial aid administrators and, in particular, needy students, I would like to thank you for your commitment to higher education.

Mr. FORD. Mr. Vickers?

STATEMENT OF DONALD R. VICKERS, ASSISTANT EXECUTIVE DIRECTOR, VERMONT STUDENT ASSISTANCE CORP.

Mr. VICKERS. Thank you.

Mr. Chairman and members of the subcommittee, my name is Don Vickers. I am currently the assistant executive director of Vermont Student Assistance Corp.

I appreciate the opportunity to be here today to share with you the importance of the Pell Grant Program to Vermonters, and my thoughts of the impact the proposed changes in both the House and the Senate bill would have on Vermont.

From its inception, the Pell Grant Program has played a major role in making postsecondary education a reality for many Vermonters. Since 1970, the continuing rate of Vermont high school seniors has increased 12 percentage points, which placed Vermont at the national average of 54 percent.

A major factor in this increase was the growth in student aid dollars on both the State level and the Federal level. Pell grants are currently assisting over 4,200 Vermonters with more than $7.6 million in grants, second only to the Vermont Incentive Grant Program in the number of students aided and the dollars provided.

I offer the following recommendations for consideration by the House in working out your differences with the Senate in conference committee on the Pell Grant Program and the general provision sections of the Higher Education Act.

First, to improve the delivery and reduce the cost of administering the Pell Grant Program, I would ask you to seriously consider replacing the private for-profit central processor with a piggyback system on State and institutional resources.

Eligibility for Pell grants could be determined by a State agency or an institution based upon indexes currently provided by both national needs analysis services. This proposal would allow the much-needed dollars spent on contracts for Pell processing to be spent on students at a time of proposed severe cuts to the Pell Grant Program.

Second, I support the provision in the House bill which allows institutions to recalculate student Pell grants when errors exist in student-reported information. I disagree with the Senate proposal which would make institutions responsible for overawarding in cases where the cause is the reporting of fraudulent information by students.

Third, I strongly encourage the House to oppose the provisions in the Senate bill which would eliminate Pell grants for students with incomes over $30,000 and require 100 percent validation of Pell grants.

In States like Vermont, with high postsecondary charges, an income cutoff on Pell grants would eliminate access for many individuals. The typical Vermont family seeking aid includes two students in college simultaneously, two parents employed full-time earning a total income of approximately $27,000.

They are faced with educational charges for each student, ranging from $6,500 to $17,000 per year. The requirement that 100 percent of all Pell Grants be validated is based upon the assumption that all, or at least the majority of families provide fraudulent information.

Our experience at VSAC indicates that this step is not necessary if proper processing edits are developed and enforced for the small minority who actually report inaccurate information.

The onerous validation requirements will increase the cost of program administration, double the paperwork required of aid applicants, confuse families, and potentially discourage low-income students from attending college.

I wonder what the reaction would be if IRS required every American to send in backup data for each deduction and source of income reported on a Federal tax return, long after the original form was filed.

Fourth, I would encourage the House to modify its provisions regarding the definition of what is called an independent student by eliminating the provision that all married students under 23 years of age are automatically self-supporting.

Although many of us would like to believe that parental responsibility ends at the altar, we know that is not the case. Parenting is like education. It is a lifelong learning process. At a time of limited funding, we cannot ignore parental financial ability unless an actual test of self-sufficiency, rather than independence, is proven.

Fifth, I applaud the House Committee in its attempt to deal with the issue of a single needs analysis. Conceptually, I believe we all agree that there should be one needs test for all Federal programs.

However, we all admit the reality of the Federal Government using the Pell Grant analysis as a means to balance need and funding.

In the interest of providing a needs test which truly reflects the family's ability to contribute to the cost of education, and which is

not influenced by political funding considerations, I would ask that instead of writing the needs test components into law, you consider the following:

One, require by law that the uniform methodology be a single needs test for all Federal programs.

Two, appoint a group of needs analysis professionals and users to review the system and make changes each year as appropriate.

Remove the Secretary's authority to approve the needs analysis and replace it with a Congressional authority to disapprove changes, only if Congress does not agree with the changes being made in a given year. This recommendation allows the system to reflect needed changes on a yearly basis without going through a legislative law change.

In conclusion, let me say that during 1986, the Congress faces many important decisions which will shape the future of America for decades to come. One of the most important of these decisions is to provide an opportunity for all Americans to obtain a postsecondary education which is based on academic rather than financial ability.

Recently, I read an article in the Burlington Free Press on Sunday that said a poll had shown that 70 percent of Americans favored more spending for student financial aid dollars, and 2 to 1, they felt the Reagan administration was not responsive to needs of low-income Americans.

We hope you and your colleagues in Congress will not support devastating cuts in the student aid programs. The future of America depends on a well-educated and informed citizenry, and this goal can be realized only through an increase in educational opportunities for all Americans.

Thank you for the opportunity to share my thoughts with you on the impact of the House and Senate reauthorization proposals on Vermonters. I will be glad to answer any questions you may have.

[Prepared statement of Donald Vickers follows:]

PREPARED STATEMENT OF DONALD R. VICKERS, ASSISTANT EXECUTIVE DIRECTOR, VERMONT STUDENT ASSISTANCE CORP.

Mr. Chairman and Members of the Subcommittee:

I am Don Vickers, Assistant Executive Director of the Vermont Student Assistance Corporation (VSAC). I appreciate the opportunity to share with you the importance of the Pell Grant Program to Vermonters and the impact of changes proposed by House and Senate Bills on Vermont students.

From its inception, the Pell Grant Program has played a major role in making postsecondary education a reality for many Vermonters. Since 1970, the continuation rate of Vermont high school seniors increased 12 percent (from 42 percent to 54 percent), which placed Vermont at the national average. A major factor in this increase was the growth in student aid dollars on both the state (State Grant Aid) and federal levels (Pell Grants). Pell Grants are currently assisting over 4,200 Vermonters with more than $7.6 million in grants, second only to the Vermont Incentive Grant Program in the number of students aided and dollars provided. I believe the success of the Pell Grant Program can be attributed to the following differences from other federal aid programs:

(1) The entitlement nature of the program, which guarantees that funds will be available for all needy students at a specific funding level in a given year, helps to alleviate uncertainties about funding for many students.

(2) Funds go directly to students rather than to institutions allowing students greater access to and choice of postsecondary institution.

(3) Although funding has not kept pace with educational charges, Pell Grant funding levels have increased, most recently last year when the maximum Pell Grant

increased to $2,100 for the 1985–86 college year through the fiscal year 1985 Education Appropriations Bill.

I offer the following recommendations for consideration by the House in working out differences with the Senate in Conference Committee on the Pell Grant Program and General Provisions sections of the Higher Education Act:

(1) To improve the delivery and reduce the costs of administrating the Pell Grant Program, I recommend replacing the private-for-profit central processor and the Student Aid Report with a system which piggy-backs on state and institutional resources. Eligibility for Pell Grants could be determined by the state agency or institution based upon the index currently provided by both national needs analysis services. This proposal would allow the much needed dollars spent on contracts for Pell processing to be spent on students at a time of proposed severe cuts to the Pell Grant Program. It would also reduce the time it takes to notify students of their eligibility.

(2) I support the provision in the House Bill which allows institutions to recalculate student Pell Grants when errors exist in student reported information. I disagree with the Senate proposal which will make institutions responsible for overawarding in cases where the cause is the reporting of fraudulent information by students.

(3) I strongly encourage the House to oppose the provisions in the Senate Bill which would eliminate Pell Grants for students with income over $30,000 and require 100 percent validation of Pell Grants.

In states like Vermont with high postsecondary charges, an income cut-off on Pell Grants would eliminate access for many individuals. The typical Vermont family seeking aid includes two students in college, two full-time working parents earning a total income of $27,000 per year, and educational charges ranging from $6,500 to $17,000 per year for each student enrolled in a postsecondary institution.

The requirement that 100 percent of all Pell Grants be validated is based on the assumption that all, or at least a majority of, families provide fraudulent information. Our experience at VSAC indicates that this step is not necessary if proper processing edits are developed and enforced for the small minority who actually report inaccurate information. The onerous validation requirement will increase the cost of program administration, double the paper work required of aid applicants, confuse families, and potentially discourage low-income students from attending college. I wonder what the reaction would be if the IRS required every American to send in back up data for each deduction and source of income reported on a federal tax return, long after the original form was filed.

(4) I encourage the House to modify its provision regarding the definition of "Independent Student" by eliminating the provision that all married students under twenty-three years of age are automatically self-supporting. Although many of us would like to believe that parental responsibility ends at the alter, we know that this is not the case. Parenting is like education; it is a life-long learning process. At a time of limited funding, we cannot ignore parental financial ability unless an actual test of self-sufficiency is proven.

(5) I applaud the work of the House Committee on its attempt to deal with the issue of a single needs analysis. Conceptually, I believe we all agree that there should be one needs test for all federal programs. However, we all admit the reality of the federal government using the Pell Grants analysis as a means to balance need and funding. In the interest of providing a needs test which truly reflects the family's ability to contribute to the costs of education and which is not influenced by political funding considerations, I would ask that, instead of writing the needs test components into law, you consider the following:

Require by law that the Uniform Methodology be the single needs test for all federal aid programs;

Appoint a group of needs analysis professionals and users to review the system and make changes each year as appropriate; and

Remove the Secretary's authority to approve the needs analysis and replace it with Congressional authority to disapprove any changes.

This recommendation allows the system to reflect needed changes on a yearly basis without going through a legislative law change.

During 1986 the Congress faces many important decisions which will shape the future of America for decades to come. One of the most important of these decisions is to provide an opportunity for all Americans to obtain a postsecondary education which is based on academic rather than financial ability. We hope you and your colleagues in Congress will not support devastating cuts in the student aid programs. The future of America depends upon a well educated and informed citizenry.

and this goal can be realized only through an increase in educational opportunities for all Americans.

I thank you for this opportunity to share my thoughts and suggestions on the impact of the House and Senate reauthorization proposals on Vermonters. I will be glad to answer any questions you may have.

Mr. FORD. Terry Van Zile?

STATEMENT OF TERRY VAN ZILE, ASSOCIATE DIRECTOR OF FINANCIAL AID, UNIVERSITY OF VERMONT

Ms. VAN ZILE. Chairman Ford, Representatives Jeffords, Penny, and Gunderson: I wish to thank you for this opportunity to share with you the Vermont perspective on the reauthorization of the Higher Education Act.

Before I share with you the Vermont perspective pertaining to the general provisions, I would like to applaud and commend all of you on your tireless and active support of student financial aid.

Chairman Ford, I had the opportunity to witness your diligent support for students and the House hearing for Secretary Bennett. Your questions and comments persuaded me that there are indeed people in Washington who care first for the students and their goals to attain an education, and further, will actively work to shape the laws to ensure students that their goals will be met.

I have become increasingly concerned, along with many other student aid providers, about the assault on student aid as evidenced by President Reagan's budget proposals and the Gramm-Rudman Budget Reduction Act.

One can only conclude that student aid will be adversely affected in this atmosphere of austerity. The higher education community calls upon you to continue your worthy support in assuring equality of opportunity for the students of this country.

H.R. 3700 is a bill that is indeed a manifestation of your commitment to higher education. I will address the general provisions section of that bill.

I would like to commend you on the "Master Calendar" which requires the Secretary to comply with a time schedule to assure adequate and timely delivery of student aid funds.

The financial aid community, along with the students, have frequently been frustrated with the often significant delays in the delivery of student aid.

We also would like to praise your provision for determining satisfactory academic progress. This provision recognizes the differing requirements at individual institutions.

Further, this provision allows for the complexity and differing student circumstances in actually determining satisfactory academic progress.

In addition, we appreciate the provision for providing training in financial aid and student support services. Administering financial aid with its annual revisions and new regulations is often difficult.

In financial aid administration, attempting perfection is not adequate, we must be totally accurate because all of our actions are thoroughly audited. Authorizing an appropriation of $1 million to actually provide the training is also appreciated.

We question the provision to develop a single common Federal form to notify students of the amount of assistance being offered to

them. We are concerned with the uniformity of the form and the possibility that the distribution of the forms would be delayed.

For example, at UVM, we have a four-part, color-coded form with spotted carbons that is printed on our computer. The first two parts are mailed to the student, one for them to keep and one to return to us with their acceptance or declination of the offered aid.

The third and fourth parts are retained in the office. The third part of the form is designed for computer processing of any revisions or changes in the student's family information and/or the student's aid.

The fourth part is always retained in the student's file for documentation. To change this process would certainly disrupt an awarding process that has worked very well. I know other institutions also have very workable award notification processes in place.

If the concern is that students are not aware of the Federal role in supporting higher education, may we recommend that instead of actual forms, guidelines be established that, for example, require institutions to use the word "Federal" immediately preceding the identification of the award. The College Work Study Program would be the Federal College Work Study Program.

In addition, more comprehensive information on the programs could be part of or enclosed with the award notification.

We also question the process that will require an institution to report to lenders any changes in a student status or address within 60 days. Schools often do not know where the student's loan was disbursed.

Not all banks send disbursement notices to schools. Also, even if a school does know where the loan was disbursed, that student's loan could have been purchased by a secondary market.

Currently, student loan guarantee agencies monitor a student's enrollment status on a semi-annual basis. Since this process is in place, and if the institutions were also required to perform this monitoring process, it would be redundant, we suggest that the current process be completed more frequently to meet the time requirements of this provision.

In regard to the definition of an independent student, we are concerned that a student who is 23 years of age or older by July 1 of the award year, and was not claimed as a dependent, will be considered automatically independent.

We have previously recommended that students could be independent only if they could prove independence, not be claimed, not to have received more than $750 in support, and to have not lived with their parents for more than 6 weeks for 2 years prior to the award year.

The rationale for this recommendation was to prevent students from becoming self-supporting by just having the parents not claim them as a dependent.

Parents are often completing their tax returns at the same time the student is applying for aid for the next award year. This becomes not only a question of student independence, but also a question of parental responsibility.

I would like to commend you on the development of the Advisory Committee on Student Financial Assistance and the National Com-

mission on Responsibility for Financing the Costs of Postsecondary Education.

I am especially pleased that these bodies will be reporting directly to Congress. The goals of the committee and the commission are indeed important to the current and future delivery of student financial aid.

I would like to note that student financial aid administrators were included as possible members in the Commission, but were not included in the Advisory Committee.

I would like to suggest that financial aid administrators also be included in the advisory committee.

A secondary concern is that appointments are to be made either by the President, Speaker of the House, majority leader in the Senate. My concern is that the members of the commission and/or committee be bipartisan.

We are concerned that student eligibility will become more restrictive than it is currently defined. Section 484—Student Eligibility, states that a student must be enrolled or accepted for enrollment in a degree, certificate, or other program leading to a recognized educational credential.

Currently, nondegree, but enrolled at least half-time, students are eligible to borrow from the Guaranteed Student Loan Program. This is the only resource for those students who may be taking courses to fulfill course requirements, to enhance their job skills or to improve upon their knowledge base. We suggest that nondegree students remain eligible for the Guaranteed Student Loan Program.

We wish to commend you on the composition of the needs analysis as defined in H.R. 3700. We note that its constructs are primarily that of the current uniform methodology.

We believe that it is a fair and equitable analysis of measuring a family's ability to pay for educational costs. However, we do have some concerns about legislating needs analysis.

We are concerned about the timing factor in regard to the updating of the tables and instituting methodology changes. This needs to be done with flexibility and speed. We are concerned that within a political environment, the interest of some may overshadow what is fair and equitable for other students.

Some people believe that this has already occurred in the private school tuition allowance. This allows a family to reduce their contribution to college costs because they chose to send another child to a private high school.

We have a general concern that political pressures and influences could possibly distort perceptions of families' ability to contribute to their sons' and daughters' education.

Needs analysis should be understood as a continually evolving set of professional judgments based on actual data, but yet not a precise science. This very fact lends itself to changes which could adversely affect students and their families.

We suggest that general principles be adopted that would give congressional oversight. We are pleased that H.R. 3700 allows for professional judgment and discretion of the financial aid officer to make appropriate changes.

To summarize, we applaud your leadership and commitment to student financial aid issues. H.R. 3700 illustrates a commitment to maintaining a balance among the grant, loan, and work programs. We have always stated that stability and consistency were of the utmost importance.

We fully understand the current economic difficulties this country is experiencing. However, we believe our vision cannot be shortsighted. Our future challenges are great, but we must all work together to support students to meet their educational goals.

Mr. FORD. Thank you.

[Prepared statement of Terry Van Zile follows:]

PREPARED STATEMENT OF TERRY VAN ZILE, ASSOCIATE DIRECTOR OF FINANCIAL AID, UNIVERSITY OF VERMONT

Representative Jeffords, Chairman Ford, I wish to thank you for this opportunity to share with you the Vermont perspective on the Reauthorization of Higher Education Act process to date.

I am Terry Van Zile, Associate Director of Financial Aid at the University of Vermont and President of the Vermont Association of Student Financial Aid Administrators.

Before I share with you the Vermont perspective pertaining to the General Provisions, I would like to applaud and commend both of you on your tireless and active support of student financial aid.

Chairman Ford, I had the opportunity to witness your diligent support for students at the house hearing for Secretary Bennett. Your questions and comments persuaded me that there are indeed people in Washington who care first for the students and their goals to attain an education, and, further, will actively work to shape the laws to assure students that their goals will be met.

I have become increasingly concerned, along with many other student aid providers, about the assault on student aid as evidenced by President Reagan's budget proposals and the Gramm-Rudman Budget Reduction Act. One can only conclude that student aid will be adversely affected in this atmosphere of austerity. The higher education community calls upon you to continue your worthy support in assuring equality of opportunity for the students of this country.

H.R. 3700 is a bill that is indeed a manifestation of your commitment to higher education. I will address the General Provisions section of that bill.

I would like to commend you on the "Master Calendar" which requires the Secretary to comply with a time schedule to assure adequate and timely delivery of student aid funds. The financial aid community along with the students have frequently been frustrated with the often significant delays in the delivery of student aid.

We applaud the resurgence of the toll free number for students. I believe that service assisted many low income families in obtaining timely and accurate information.

We also would like to praise your provision for determining satisfactory academic progress. This provision recognizes the differing requirements at individual institutions. Further, this provision allows for the complexity and differing student circumstances in determining satisfactory academic progress.

In addition, we appreciate the provision for providing training in financial aid and student support services. Administering financial aid with its annual revisions and new regulations is often difficult. In financial aid administration attempting perfection is not adequate, we must be totally accurate because all our actions are thoroughly audited. Authorizing an appropriation of $1,000,000 to actually provide the training is also appreciated.

We question the provision to develop a single common federal form to notify students of the amount of assistance being offered to them. We are concerned with the uniformity of the form and the possibility that the distribution of the forms would be delayed. For example, at UVM we have a four part, color coded form with spotted carbons that is printed on our computer. The first two parts are mailed to the student, one for them to keep and one to return to us with their acceptance or declination of the offered aid. The third and fourth parts are retained in the office. The third part of the form is designed for computer processing of any revisions or changes in the student's family information and/or the student's aid. The fourth part is always retained in the student's file for documentation. To change this process would certainly disrupt an awarding process that has worked very well. I know

other institutions also have very workable award notification processes in place. If the concern is that students are not aware of the federal role in supporting higher education, may we recommend that instead of actual forms, guidelines be established that, for example, require institutions to use the word federal immediately preceding the identification of the award. The College Work-Study Program would be the Federal College Work-Study Program. In addition, more comprehensive information on the programs could be part of or enclosed with the award notification.

We also question the process that will require an institution to report to lenders any changes in a student status or address changes within 60 days. Schools often do not know where the student's loan was disbursed. Not all banks send disbursement notices to schools. Also, even if a school does know where the loan was disbursed, that student's loan could have been purchased by a secondary market. Currently, state loan guarantee agencies monitor a student's enrollment status on a semi-annual basis. Since this process is in place and if the institutions were also required to perform this monitoring process it would be redundant, we suggest that the current process be completed more frequently to meet the time requirements of this provision.

In regard to the definition of an independent student, we are concerned that a student who is 23 years of age or older by July 1st of the award year and was not claimed as a dependent by any person for the preceding calendar year, will be considered automatically independent. We have previously recommended that students could be independent only if they could prove independence, i.e., not be claimed, not to have received more than $750 in support and to have not lived with their parents for more than 6 weeks for two years prior to the award year. The rationale for this recommendation was to prevent students from "becoming" self-supporting by just having the parents not claim them as a dependent. Parents are often completing their tax returns at the same time the student is applying for aid for the next award year. This becomes not only a question of student independence but also a question of parental responsibility.

I would like to commend you on the development of the Advisory Committee on Student Financial Assistance and the National Commission or Responsibility for Financing the Costs of Postsecondary Education. I am especially pleased that these bodies will be reporting directly to Congress. The goals of the committee and commission are indeed important to the current and future delivery of student financial aid. I would like to note that student financial aid administrators were included as possible members in the commission but were not included in the advisory committee. I would like to suggest that financial aid administrators also be included in the advisory committee. A secondary concern is that appointments are to be made either by the President, Speaker of the House, majority leader in the Senate. My concern is that the members of the commission and/or committee be bipartisan.

We are concerned that student eligibility will become more restrictive than it is currently defined. Section 484—Student Eligibility states that a student must be enrolled or accepted for enrollment in a degree, certificate, or other program leading to a recognized educational credential. Currently non-degree but enrolled at least half-time students are eligible to borrow from the Guaranteed Student Loan Program. This is the only resource for those students who may be taking courses to fulfill course requirements, to enhance their job skills or to improve upon their knowledge base. We suggest that non-degree students remain eligible for the Guaranteed Student Loan Program.

We wish to commend you on the composition of the Needs Analysis as defined in H.R. 3700. We note that its constructs are primarily that of the current Uniform Methodology. We believe that is a fair and equitable analysis of measuring a family's ability to pay for educational costs. However, we do have some concerns about legislating needs analysis. We are concerned about the timing factor in regards to the updating of the tables and instituting methodology changes. This needs to be done with flexibility and speed. We are concerned that within a political environment, the interest of some may overshadow what is fair and equitable for other students. Some people believe this has already occurred in the private school tuition allowance. This allows a family to reduce their contribution to college costs because they chose to send another child to a private high school. We have a general concern that political pressures and influences could possibly distort perceptions of families' ability to contribute to their sons or daughters education. Needs analysis should be understood as a continually evolving set of professional judgements based on actual data but yet not a precise science. This very fact lends itself to changes which could adversely affect students and their families. We suggest that general principals be adopted that would give congressional oversight. We are pleased that

H.R. 3700 allows for professional judgement and discretion of the financial aid officer to make appropriate changes.

To summarize, we applaud your leadership and commitment to student financial aid issues. H.R. 3700 illustrates a commitment to maintaining a balance among the grant, loan and work programs. We have always stated that stability and consistency were of utmost importance. We fully understand the current economic difficulties this country is experiencing; however, we believe our vision cannot be shortsighted. Our future challenges are great but we must all work to support students to meet their educational goals.

Mr. FORD. Lisa Pelkey.

STATEMENT OF LISA PELKEY, TRINITY COLLEGE STUDENT

Ms. PELKEY. Good morning.

My name is Lisa Pelkey, and I am a junior majoring in special education at Trinity College. First, I want to say thank you for the honor of representing not only Trinity, but students everywhere who need and receive financial aid of all kinds.

I am from Barre, VT, where my family still resides. I have a brother who attends Champlain College here in Burlington, and three brothers and a sister still at home.

As I mentioned earlier, I am a special education major, where I enjoy learning how to be an educator of special needs children, not only through lectures and textbook readings, but also through my placements.

Another special way I am able to enrich my understanding of dealing with children in an educational setting is through my work study position at the Trinity Child Care Center, where I have been employed for 3 years.

I enjoy working closely with children, and feel that I am learning a great deal through these placements.

This year, in addition to work study, I am eligible for a full Pell grant, SEOG, and Trinity grant assistance, a sizable Vermont Student Assistance Corp. State incentive grant, and have borrowed $500 in national direct student loans.

I have also borrowed the full $2,500 in guaranteed student loans to meet need. By the time I graduate from Trinity College, I will have borrowed $10,000 in guaranteed student loans and about $2,000 in national direct student loans from Trinity College.

During the summer, I have worked at the Barre city pool to save money toward college expenses. With eight in our family, my parents have been limited in the amount that they can assist my brother and me toward college other than providing living expenses during vacation periods.

I am very grateful for all sources of assistance that have helped me continue my education. However, I fully realize the large amounts of student loans I am borrowing will result in a need to budget $150 per month toward student loan repayments after graduation. This will be difficult because my career choice is the field of education.

I understand that Congress is considering substantial increases in the amount of money a student can borrow each year, but have set smaller yearly increases in Pell grant awards. I believe that the law should continue to provide a reasonable balance between borrowing limits and the amount of Pell grant aid available for students like me.

Another aspect of financial aid that is of concern to me is the time between submitting Pell grant applications and the actual time one finds out their Pell award.

I do appreciate the statements in the House bill which would speed up the process between applying and actually knowing what one will receive.

It will be great if the Financial Aid Office could recalculate Pell eligibility when corrections are necessary or changes in the family circumstances occur. This would cut down on any added time for required for redetermining Pell grant eligibility by some remote processor.

In summary, I am repeating two basic points. Point No. 1: There needs to be a realistic balance between the amount of a loan a student can borrow and the Pell grant levels funded.

Point No. 2: The procedure for redetermining Pell grant eligibility should be revised to speed up the process.

Thank you.

[Prepared statement of Lisa Pelkey follows:]

PREPARED STATEMENT OF LISA PELKEY, TRINITY COLLEGE STUDENT

Good morning, my name is Lisa Pelkey and I am a junior majoring in special Education at Trinity College. First, I want to thank you for the honor of representing not only Trinity, but students everywhere who need and receive Financial Aid of all kinds. I am from Barre, Vermont, where my family still resides. I have a brother who attends Champlain College here in Burlington, and three brothers and a sister still at home.

As I mentioned earlier, I am a Special Education major where I enjoy learning how to be an educator of special needs children, not only through lectures and textbook readings but also through my placements.

Another special way I am able to enrich my understanding of dealing with children in an educational setting is through my work-study position at the Trinity Child Care Center where I have been employed for three years. I enjoy working closely with children and feel that I am learning a great deal through these placements.

This year, in addition to Work-Study, I am eligible for the full Pell Grant, SEOG and Trinity Grant assistance, a sizable Vermont Student Assistance Corporation State Incentive Grant and have borrowed $500 in National Direct Student Loans. I have also borrowed the full $2,500 in Guaranteed Student Loans to meet need. By the time I graduate from Trinity College, I will have borrowed $10,000 in Guaranteed Student Loans and about $2,000 in National Direct Student loans from Trinity College.

During the summer I have worked at the Barre City Pool to save money toward college expenses. With eight in our family my parents have been limited in the amount they can assist my brother and me toward college other than providing living expenses during vacation periods.

I am very grateful for all sources of assistance that have helped me continue my education. However, I fully realize the large amounts of student loans I am borrowing will result in a need to budget $150 per month toward student loan repayments after graduation. This will be difficult because my career choice is in the field of education. I understand that Congress is considering substantial increases in the amount of money a student can borrow each year, but have set smaller yearly increases for Pell Grant awards. I believe that the law should continue to provide a reasonable balance between borrowing limits and the amount of Pell Grant aid available for students like me.

Another aspect of financial aid that is of concern to me is the time between submitting Pell Grant applications and the actual time one finds out their Pell award. I do appreciate statements in the House Bill which would speed up the process time between applying and actually knowing what one will receive. It will be great if the Financial Aid Office can recalculate Pell eligibility when corrections are necessary or changes in family circumstances occur. This would cut down on any added time required for redetermining Pell Grant eligibility by some remote processor.

In summary, I am repeating two basic points. Point number one—there needs to be a realistic balance between the amount of loan a student can borrow and the Pell Grant levels funded. Point number two—the procedure for redetermining Pell Grant eligibilty should be revised to speed up the process.

Mr. FORD. Thank you very much, all of you, for fine statements.

Let me go in reverse. Lisa, I can understand your concern. The committee shares your concern about the fact that people like you are becoming more dependent on loans because the purchasing power of the grant, the principal one being Pell, has decreased.

It buys about half as much education, on average now, as it did because of the rapid increase in the cost of education and the cost of all things associated with being in an education setting.

I should point out to you that in the loan program, at a time when we can't keep the money each year that we had the year before, the loan program leverages less than 400 million Federal dollars into $7 billion going to students this year.

The Pell Program is dollar for dollar Federal expenditure, every dollar that is expended through Pell has to come out of the budget. Now, with a shrinking budget, Pell is going to shrink, and there is nothing we can do about that. This committee would not like it that way.

We can, however, try to make it up, even though we don't think it is the right way to do it, given the perfect world, by maintaining the leveraging of this additional private capital. The $7 billion that will go to students this year is not coming from the taxpayers, it is coming from banks, savings and loans, and credit unions.

And we are guaranteeing the loans and we are paying in-school interest, and the initial year cost is actually $400-and-some million for $7 billion. It is a magic sort of a formula that produces that, and unfortunately, it is the only thing that grows because of private participation.

I would like to come back to both Mr. Myette and Mr. Vickers. We had your original recommendation that the central processing of Pell grants be eliminated. Now, we considered that very positively for some time.

The only problem is that it creates a new problem and we couldn't find out how to solve it. Maybe you can. If we eliminate the central processing out there—where is it, Kansas? Iowa? Some place out there.

If we eliminate that, how do we have any kind of a national monitor that would tell us what we needed to know to do this reauthorization, about what is happening in Pell across the country?

The only place in which the statistical base of current Pell performance comes together is through the central processing.

Now, there were other student aid directors and State directors who said, "Let's get rid of the central processor." Of course, the central processor people came running and said, "We are indispensable."

And we sort of halved the baby, if you will, in that we cut the time involved in dealing with the central processor generally in half, by allowing the student aid officer to make the corrections and recalculations without resubmission.

There are purists who think maybe we went too far, because we shouldn't trust student aid officers. "All you student aid officers

are going to do is rip off the Government by being overly generous." That is what I was talking about a little while ago. There are still people who don't want to trust you that far.

Those people are comforted improperly by thinking that the central processing agency keeps you honest. And we don't believe that at all, but as long as that is the perception, it insulates us against having all kinds of regulation. We would have your people bonded.

And indeed, as a matter of fact, the Department of Justice just indicted a student aid officer, which the Secretary is boasting about because we challenged him to show if anybody was guilty of fraud and abuse, and unfortunately, it turns out that a student aid officer out west someplace was embezzling funds, and we will hear an awful lot about that.

So, I just want you to know that the idea had a great deal of appeal to the committee, and it was examined and we talked to people all over the country about, what will you do as an alternative?

And the alternative that was most frequently suggested is one that many of us found repugnant, and I think from what you have said in other ways, you would, too, and that is put it in the Secretary's office, and have everybody report every transaction to the Department of Education.

We haven't gotten them in the act now. This reauthorization tries to take them out of things they have been doing in the past. And the committee was not really prepared to give more authority, even if it is only ministerial handling of things.

No matter how they handle anything over there, they don't improve it. So, I do want you to know that we gave very serious consideration to that as an alternative, and finally had to reject it, because we didn't know how to make the program work if we went quite that far.

Mr. Vickers, your views on the independent student are kind of interesting to me. That one we probably had to wrestle with harder than anything. You remember that in the administration's budget last year, that everybody thought was terrible, had age 22, where it created presumption of independence.

And indeed, it was the reverse. It created the assumption that nobody under 22 was independent, unless you were an orphan or ward of the court.

Well, we found immediately that that was not doable, and at one stage, we decided to take the age 22 and add other factors to it. Then economic constraints hit us, and we found that by moving to age 24, we could have saved a lot more money. The compromise was to stay at 23.

But, we also in a very positive way said that regardless of all these presumptions created by age and other circumstances, if the student aid officer knows of any other conditions which makes the student, in fact, independent, then the student is independent.

Now, back to you, Terry. You raised similar questions. You do understand that the new definition of an independent student has nothing to do with whether a student ever again is on a parent's tax return, because anyone who believes that being on or off of a parent's tax return bears any real resemblance to whether a student is, in fact, still dependent, is kidding themselves.

Mr. Vickers you present an interesting approach here about parenting. That is fine morality. It ain't the law. I know of no place in this country where the courts have yet enforced an obligation on a parent to pay for 1 penny of college education.

Indeed, the court decisions that have occurred in the last few years have been exactly the opposite, that a parent's obligation for education ends when the child becomes an emancipated minor, and if they are in a State where that is 18, as it is in my State and in most of the States now, that ends the parents' obligation.

There is an exception. Strangely, the child in a divorced family may be advantaged by the fact that frequently, now, in divorce settlements, you will find an arrangement worked out for the principal wage-earning spouse to carry a continuing responsibility for paying for college costs as a part of the whole settlement of the divorce action.

Absent that kind of a contractual court-enforceable decree, there is no way to grab a parent by the scruff of the neck and say, "Write a check." Then, I would invite you to look at the 1980 census, and look at the numbers that we have developed.

Since 1970, the number of people presently in the 18- to 22-year-old group that are currently traditional college students who come from a family, has dropped 37 percent, and the number who come from a single-parent household has gone up 87 percent, in one decade.

And so, if you sit in a community where you think that the American college population comes from traditional families, perish the thought. That is, more to pity, the way it used to be. It isn't where the people were and how they are by the census.

So, I want you to know that we considered these things very thoroughly, and the independent student gave us all kinds of trouble.

This is not the best solution. It is better than any of the others that we tried to wrestle with, and it is a tar baby that we can't let go of, because it will constantly get criticism, and there will always be somebody that finds that this doesn't work. But, it goes in the direction of providing commonsense flexibility and saying to people, "You have eyes. You have ears. You are on the college campus. You decide whether this person is trying to rip us off or whether they are, indeed, somebody that has been taking care of themselves since they were 18 years old."

And I wanted to say that by way of letting you know that your concerns were very forcefully presented by Jim and others. There are other places in the country that share this concern. We didn't lightly pass over them and just sort of reject them because of any philosophical or political arbitrary decision.

I thank you very much.

Jim?

Mr. JEFFORDS. It is a very good time to leave off. I will give my side of the story very briefly, just to let you know that you had some friends.

I would say that I am deeply concerned about the married student exemption. I may not be as familiar with young people as some others, but I would think that perhaps, Bill Ford, as he elo-

quently stated on the House floor, this may be the biggest profamily amendment or condition in the bill that we have ever had.

I believe that we could, as a condition of financial aid, make sure that the parents who are still actually supporting their children could continue to do so. In fact, I have considered that they will probably do away with the change in the marriage vows from "Until death to us part," to a marriage vow that says, "Until after death to you part." It will have students lining up for marriage like you wouldn't believe. It is about a $50,000 benefit on the outside as a wedding present from the Federal Government.

I have serious concerns about that. I would like to point out, in Vermont, we still have that condition of continuing support, plus the 2-year lookback; and we have less than a 20-percent independent student category in this State.

The national average has now crept to over 50 percent, which leads me to believe that perhaps either our students are lingering behind, or else we are where we ought to be.

Well, getting away from that. Let me just ask one question, which, I think, is somewhat of a modifying question for higher education, and I would ask it of the whole panel, and also Lisa, too, your personal aspect of this question.

If we were to reduce Pell grants by 17 percent this year, as it is apparently going to occur unless Congress takes action. It takes into consideration the need for a new appropriation in order to get back on the full granting of Pell grants, an additional 25 to 30 percent in 1987 in the Pell grant category; and in the guaranteed student loan category next year, a reduction in guaranteed student loans by one-third.

If we don't do anything, we have about a 47-percent reduction in Pell grants and a third reduction in GSL's. What would that do to your institutions, and what would that would do to you personnel?

The shock, I know on people's faces, is the answer that should be recorded for the record, but, I think, it is important that we take a look at where we stand right now, and where we could be if things move along.

Mr. VICKERS. Well, let me share with you. We see it from a statewide perspective. In Vermont, those kinds of cuts are going to be disastrous. We have some of the highest-cost private institutions in the country located in Vermont.

And most of our students are borrowing the maximum GSL now, $2,500. And you heard Lisa cite that she has a $2,500 loan per year. On top of that, she is borrowing under NDSL.

And we are looking at educational charges increasing an average of 7 percent a year, probably for the next 3 or 4 years.

Also, we, like most other States, we do not have large surpluses in the general fund in Vermont. There is a lot of pressures for funding at all levels of education. If these kinds of cuts were to take place, I think the first institutions to be hit would be our private institutions in Vermont.

I think it is important to realize the second largest employer in the State is education, higher education. And, I think, the student availability to go to private institutions would be hit drastically, and they would start moving toward our less expensive institutions

in Vermont, which are the public sector, which are still very expensive.

The next step would be Vermonters not to go to college at all. And, I think, you would see some students start to drop out in 1987, and, I think, you would see a tremendous impact in fiscal year 1988.

There is no doubt about it. Access to postsecondary education in Vermont would take a giant step backwards if the cuts that are proposed go into effect.

Mr. FORD. Thank you.

David?

Mr. MYETTE. Speaking for my institution, I am not so sure that Champlain College would have to fold, but certainly the mission of our institution would change drastically.

Presently, we are a career-oriented institution; 80 percent of our students come from Vermont, and the majority of those students are low income. I would suspect that the mission of Champlain College would change in that we would have to attract a much higher income student, the students who can afford to pay the entire bill, and what that would result in is middle- and low-income students simply would not be able to attend.

Mr. COOR. And I would ask the question in reverse. What would be the effect on this Nation's security if the U.S. Defense Program was asked to undertake similar levels of cuts in the next 18 months, or perhaps more poignantly to individuals, what would happen if the Social Security Program and the benefits to individuals in that program were also expected to undertake cuts of that magnitude?

For 20 years now, we have been building a basic set of principles about how you finance access to colleges and universities for young people. Institutions, States, families, and individuals have all built their plans on that set of principles.

What you have just asked of us is not a budget reduction, it is a fundamental transformation of those principles.

What is the effect? Statistics don't tell it adequately. Is it a third, or is it 40 percent, or as I indicated in my early remarks on the basis of the President's 1987 budget, 49 percent of our Pell grant recipients?

It is such a fundamental transformation that there is no way accurately to predict how the response would take place. We do not, in this State, have any single institution I know that has the reserves it could turn to to finance individually.

We do not, in this State, given the limits on State revenue, the second most highly taxed citizens in the country, State resources, and as a State that is 47th in per capita income, we don't have family and individual resources.

So, what you are asking is what happens to the roughly 25 institutions in this State and all of the students that are attending it, if the basic rules of the game change so significantly in their planned student lifetime, next year and the year following?

And the answer is, it so undermines it that we can't predict in detail what those consequences are. The term that Don use is the term. It would, in fact, be disastrous to the sets of programs that we have.

Mr. JEFFORDS. Terry, I will presume that you do not want to differ with this?

Ms. VAN ZILE. If I did——

Mr. COOR. She just handed me the notes.

Mr. JEFFORDS. Lisa, what would happen to you personally?

Ms. PELKEY. Well, I think I speak for other students, I would have to probably work, get another part-time job in the summer, as well as having a job on top of my 8-hour work study job, and on top of my 8 hours in my placement, a part-time job or something to help pay for college.

Mr. JEFFORDS. Thank you, Mr. Chairman.

Mr. FORD. Mr. Penny?

Mr. PENNY. Thank you, Mr. Chairman.

Mr. Vickers, you mentioned that the continuation rate since 1970 has increased from 42 to 54 percent?

Mr. VICKERS. That is correct, in Vermont.

Mr. PENNY. How does that compare with the national average, and where do you see that continuation rate going in the next several years?

Mr. VICKERS. My understanding is the national average right now is about 54 percent. I think that the national average should be increasing. I think there needs to be more opportunities. When I talk about continuation rate, I am talking about all forms of postsecondary training beyond the high school level.

I think there is a need for more training beyond the high school level, and I think there is more Americans that could use that kind of training, whether it be a 4-year degree or a 1-year program.

I think one of our goals in Vermont, in fact a goal stated by our Governor in her address to the legislature, was to increase the number of students going under postsecondary education by 50 percent more in 1991.

I think that is a very nice goal to work for, but unless we have adequate funding at both the Federal level and the State level, we are not going to be able to accomplish it. I think it should be a national goal as well.

Mr. PENNY. When I go to high schools in my district and ask how many are planning to go on to postsecondary training, everybody raises their hand. Now, I imagine some of them don't end up doing that, but if they are all raising their hand, it indicates to me that a very high percentage of our high school juniors and seniors are going to be in one postsecondary institution or another.

But I share your observation. We are going to see an increase there. It seems to me that that is out of necessity. I don't know where you are going to get a job with a high school diploma any longer, and if we still have a national rate of 46 percent that don't go to school beyond high school, it seems to me that we have got a monumental problem there, given the entry level education that is needed in our workforce.

Can you tell me how many students, on average, a percentage of students in your Vermont schools that are 23 and older when they start school?

Mr. VICKERS. We are seeing an increase in the number of older students. In Vermont, I think we are sort of unique in that our State scholarship program not only deals with traditional 4-year,

18-year-old out of high school, but we also have a part-time degree and non-degree grant program.

The greatest increases in applicants we have seen over the last few years have been in the part-time degree and non-degree area.

The kind of people we are talking about are single heads of household, females, age 33, supporting three dependents on less than $7,400 a year. They are people the only opportunity for them to get a postsecondary education will be on a part-time basis. We have seen a tremendous increase in applicants in that category.

I think that is going to increase in the future as the traditional population sort of levels off. However, again, I think the continuation rate on the traditional population is going to have an impact.

Mr. PENNY. That was the next point I was going get at. Are we going to see a leveling off of enrollments but a higher number of them being the older, part-time student, and therefore, can we accommodate with financial aid those part-time students without big budget increases?

Mr. VICKERS. There are several factors. Assuming we don't have any severe cuts at the Federal level. Let me make one assumption. I think we are going to see a small increase, but very small or level, in the traditional high school student going on, because the numbers aren't there.

We are going to see a large increase in that point in time of the non-traditional student, the adult, the older student I talked about.

On the other hand, if we have some of the cuts that are being talked about, and all they have to be is talked about, even if they don't actually come into effect, they are going to have an impact on the thinking of a lot of low-income and lower middle-income families out there.

And we saw this happen a few years ago, when we talked about tremendous cuts in student financial aid. Parents and students said, "Well, maybe it is not reality." The cuts didn't materialize.

So we have a concern right now about the discussion going on about Gramm-Rudman-Hollings and about the President's budget. And there is going to be an impact from those kinds of discussions.

Mr. PENNY. One last question.

I was reading the paper this morning—no, it wasn't in the paper, it was in a briefing report that Congressman Gunderson received, on Reagan administration proposals for fiscal year 1987.

I believe one of those proposals was to require a high school diploma or GED as a prerequisite for enrollment at a higher education facility, if you intend to get financial aid in order to attend that facility.

So, in other words, you can't start at the school and somehow get your diploma equivalent while you are picking up credits and expect to get financial aid for those credits. You have got to get the diploma out of the way first.

Is that something that causes any concern to the higher education community here in Vermont?

Mr. VICKERS. I would think it would cause some concern, particularly to our institutions that address themselves to the non-traditional students. We are talking about older people who may not have a high school degree who need that opportunity to explore, have a postsecondary experience, to decide whether or not they are

going to work toward that 4-year degree, and to finish up those high school requirements.

I would think it would be a concern to some of those institutions. If such a thing was to go into effect, there would have to be a major push to have all those students get GED requirements, or meet GED.

Mr. PENNY. You don't have any statistics on the number of students who are enrolled this year who came to a postsecondary school without a high school diploma?

Mr. VICKERS. No, I don't have them.

Mr. PENNY. OK. Thank you.

Mr. FORD. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman.

There is so much I would like to say and ask, except I have been warned that we are in dire straits for time here.

I would like to focus on Lisa's testimony. All do respect to those of you who talked general concept. It was her details which I think are most helpful, and I commend you. Yours was one of the better statements we have received from students in the entire 2 years that we have been dealing with this issue, just an excellent statement.

The next effect, I guess, is obvious that what we will do if these cuts go through is force all people who want to go into education to go to public schools, which in Wisconsin are funded 70 percent by State subsidies.

In Wisconsin, because in our public universities and colleges, 70 percent of the tuition comes from the State, the student pays only 30 percent. In that category, we can possibly make some of these Draconian cuts, and let the person still survive.

Two questions very quickly: What is the tuition at Trinity on an annual basis?

Ms. PELKEY. Between $8,000 and $10,000.

Mr. GUNDERSON. And what are you able to make as a personal contribution? By that I mean, the President wants to increase the student contribution from $500 to $800 to be eligible even for grants.

Ms. PELKEY. Through summer jobs and stuff. Between $800 and $1,000.

Mr. GUNDERSON. Fine. Thank you, Mr. Chairman.

Mr. FORD. Thank you very much.

Mr. COOR. Mr. Chairman, just one observation to Mr. Gunderson. States, regrettably, do vary on the extent to which support for their public universities, the counterpart figure to the 70-percent State funding for those in your State of Vermont, the University of Vermont receives 15 percent of its budget from the State.

That is why even our public tuitions here are the highest in the Nation. The effects clearly are greater on Lisa and those students with a high-cost private institution, but they are significantly greater on those even in the public sector in this State, and in this region, than in other parts of the country.

Mr. FORD. Thank you.

Mr. PENNY. In your public schools here—maybe this is the point you were getting at—I was jotting a note to myself as you answered that question. Mr. Gunderson said that in Wisconsin, the

State schools are 70 percent supported by tax dollars, which means that the tuition has to pick up the other 30 percent.

In Vermont, what would that percentage be?

Mr. COOR. At the University of Vermont, the current cost of education per student reflected by our non-State resident tuition, is about $7,000 a student. That is what the non-Vermont resident pays in tuition alone.

The tuition and fees for a State resident approach about $3,000. Now, that is tuition alone. If you take the total budget for an in-State resident, tuition, room and board, it is now how much? $7,200. For a State resident, for their budgeted expense.

So, taking those figures, that means that the States, or the student's tuition share of the total cost is more like 40 to 50 percent.

Mr. PENNY. It is. OK.

Thank you.

Mr. FORD. Thank you.

Before we go on, two observations.

Terry, this article will explain one of your concerns, I think. This was referred to by Mr. Vickers.

In all fairness, I think the poll referred to in the newspaper article ought to be inserted in full in the record. It is a Lou Harris poll reported in the Sunday, February 9, 1986 edition of the Burlington Free Press.

And it starts out, "President Reagan now enjoys a 70–29 percent positive rating among Americans, up slightly from 68–32 percent positive 4 weeks earlier."

So, it should be borne in mind when we hear the rest of these numbers that this sample of people likes the President's activities 70–29 percent.

By exactly the same number, however, it says "'70–29 percent majority of Americans oppose 'cutting Federal aid for education, including student loans.'"

[The article referred to follows:]

[From the Tribune Media Services]

HARRIS POLL SHOWS REAGAN GAINING POPULARTY

(By Louis Harris)

President Reagan now enjoys a 70-29 percent positive rating among Americans, up slightly from 68-32 percent positive four weeks earlier.

These latest results are based on telephone interviews conducted Jan.7 and Jan.31-Feb.3 among national cross sections of 1,254 and 1,255 adults, repectively.

Among highlights of the survey: A 77-20 percent majority Americans agrees with Reagan's claim that "the remarkable recovery that has taken place in America has been the result of hard work by the American family, people who work at their jobs, tend to their kids, and risk their money in new ventures in the best American tradition."

A 66-32 percent majority agrees with the president saying "the key to improving education is not to spend more money on it, but to teach more discipline to the children in the classroom so they get serious about learning."

A 89-9 percent majority agrees with the president that "a plan to provide for health care for catastrophic medical costs for the elderly must be developed so that old and young alike don't have to worry about draining their finances to take care of the elderly ill."

When asked to rate the president on his caring for the elderly and the poor, however, a 2-to-1 majority says Reagan has not done a good job.

On "inspiring confidence in the White House," he evokes a near-record 65-33 percent positive rating.

On his handling of the federal deficit, he is given a 63-36 percent negative rating.

Mr. FORD. Now, your question: Why is there going to be a new Federal form given to the student that tells them how much Federal aid they are getting?

Ms. VAN ZILE. I am assuming our students will recognize that they are getting Federal aid.

Mr. FORD. Exactly. It is a truth-in-packaging requirement on the colleges, because I have to go as a supplicant to the Appropriations Committee every year and beg for these dollars. And there are members of that Appropriations Committee who say, "I might as well be on the Space Committee as far as the college students are concerned, because they don't know we have a darn thing to do with their education."

The gentleman from Wisconsin, who is hotter than a firecracker about this, and the greatest ally we have on the committee, and you know who he is, did a little survey up there, and found out that there were practically no students who recognized that any part of the package they got at the college student aid office came from Federal funds.

So, therefore, why should they be upset if a budget is proposed that cuts it by 30 percent? That doesn't affect them. They are probably more affected by the budget cuts in the farm program. They don't associate the Federal budget with their going to school.

In spite of the fact that nearly one-half of the 12 million students in postsecondary education in the United States last school year got some kind of Federal assistance, a very small percentage of them, when they are asked in polls acknowledge that they received any help at all from the Federal government. "Where did you get your money?"

"I went over to Michigan State, and I went in this big office and a nice person put it all together for me, and Michigan State gave me the money."

Great for the image of Michigan State, but it doesn't create a constituency. Here are people saying, "We wouldn't like it, in effect, Mr. President, by 70–29, if you cut Federal aid for education, including student loans." But by the same margin, they say, "We love you."

They don't associate the cutting of student loans as having anything to do with what we or the President are doing in Washington. That really is the reason. That is not a high moral principle reason, but we really want the young people to begin to understand that they have to take an interest in what people are talking about in Washington when they talk about budgets.

It is not just college presidents and student aid officers who ought to be concerned; students themselves have to be concerned.

Why can't you do it at the campus? Very simple. If you start scaring the students at the campus by telling them what Jim just said about 1986 and then 1987 hitting them, you are going to have a lot of kids that are going to change their plans about continuing their education.

Just the fighting that we have been in in the last couple of years has unfortunately discouraged a great many young people from pursuing higher education, because they don't see a future in it.

They say, "Well, sooner or later, it is going to get knocked out, and why should I get out in the middle of that investment and have it pulled out from under me?"

So, people on the campus are extremely reluctant to say, "You ought to write the Congressman and tell him you don't want the budget cut," because they don't want to panic their students. That is understandable.

This is a nice way to tell the students what the budget means to them, what they had in their package last year that came from Federal tax dollars. No more than that. It is just like the signs that you see out here, Interstate Highway System paid for by your Federal tax dollars.

Ms. VAN ZILE. I just wonder if maybe you can accomplish the same thing by defining guidelines for institutions to use the word "Federal," as I was saying, or a narrative as opposed to——

Mr. FORD. Don't trust the institutions to do that. They will put an asterisk on it, and on page 20 it will say, real small, "the asterisk means Federal."

Ms. VAN ZILE. Well, institutions are going to have some difficulty, I think, dealing with the forms, because we all have different kinds of forms that we have within our offices that feed our systems.

And also, a little concern about the timing——

Mr. FORD. This was intended to be a bother for institutions. This was not intended to make life easier for you, it was intended to make life more frank and honest.

Ms. VAN ZILE. I gather.

Mr. COOR. Mr. Chairman, as this panel leaves, perhaps we could leave the special talent that is here today from the Agriculture Committee with an idea. If these Draconian cuts, in fact, do come about, would you consider price support or dairy herd buyout as a proposition for higher education, that we might use a fallback?

Mr. FORD. Without objection, the—

Mr. GUNDERSON. The students, like the dairy herders, were happy to support it.

Mr. FORD. Without objection, the newspaper article that Mr. Vickers referred to will be inserted in the record contemporaneously with his comment, so that they know that it was a positive vote for Mr. Reagan.

If I had a poll like that, I would feel good. One issue out of five, that is not bad. Thank you very much.

Mr. FORD. The next panel is Sister Janice Ryan, president of Trinity College; Dr. Eric Gilbertson, president of Johnson State College and president of the Vermont Higher Education Council; Edward P. Franzeim, director, grant programs, Vermont Student Assistance Corp.; Nelberta Brink, director, financial aid, St. Michael's College; Matthew Patry, student, Castleton State College; Margaret O'Rourke, student, Vermont Law School.

Without objection, your prepared statements will be inserted in the record in full, and you may proceed to add, to supplement or comment on any prepared statements you have given us in any way you find most convenient.

And we will start with Janice Ryan, and move on in the order in which I called the panel.

STATEMENT OF JANICE E. RYAN, R.S.M., PRESIDENT, TRINITY COLLEGE, BURLINGTON, VT

Sister RYAN. Thank you very much, Congressman Ford.

I am Sister Janice Ryan, president of Trinity College, also chairman of governmental affairs for the Vermont Association of Independent Colleges, and a member of governmental relations of the American Council on Education.

Congressman Ford, I am going to trust your long relationship with Vermont and myself, and be at risk for just a moment, but because I feel that this would be important to you and the other Congressmen, I would like to ask the people whom I represent, all presidents of the Vermont colleges, public and private, who are present, would you please stand or come forward?

I think Lattie had to leave, but there is an impressive number. I did an earlier count; I was up to 11, and it was about an even split between private and public. I want to tell the boys I am very proud of their attendance, and I want to acknowledge one other woman, who is a past president of Trinity College who is here, Sister Elizabeth Candon.

I bring that to your attention. There are faculty members, administrators, students, financial aid directors, and many members of the staff of the Vermont Student Assistance Corp., and I am very, very grateful for their joining us, and encourage them in the informal conversations with yourself.

I want to acknowledge to all members of your committee, Congressman Ford, that though we may not cite it today, we are truly cognizant of the disasters that you managed to avoid in the process that went on in the committee through the House, and for that menu of disasters avoided, and other situations where you managed to get the best of what was available, on behalf of all higher education, in particular students, I say a very warm thank you.

No. 2, I would like to tell you that I am a farmer's daughter. I am the aunt of eight nieces and nephews, the oldest one is a sophomore in high school, and I have two brothers that own farms in Vermont. So, I am going to do a joint testimony. I didn't want to disappoint those interested in agriculture.

No. 3, there are five recommendations that I have been commissioned to bring forward, and one comment. Those are in detail in my written testimony.

I would say, Congressman Ford, that I took very seriously your committee making the time to come to Vermont, and whereas you and I might differ, you at dinner at least were instructive in the similarities of Kentucky and Vermont. In another career of mine, I thought there were 13 rural States, and that is kind of the way I think, and I speak in particular for those States.

I thought you might be interested, Congressman Penny, that Trinity College enrolls 1,000 students, 400 of whom are 18-year-olds, and 600 of whom the average age is 34. The average amount of time out of the last formal classroom instruction is 11 years.

A woman who has now left but was here this morning, for instance, had never been to college. I believe she talked to you, Congressman Ford.

We have an intergenerational integrated college, started a long while ago. There are many of those in the United States. We are one. It works very well. The evidence of this committee's concern toward that particular constituent on the House side is very impressive, and we acknowledge that.

The five recommendations that I would simply touch on briefly, relative to their concern and to the recommendations, the first one is the language in the proposed House bill that States priority for exceptional needs for both supplemental educational opportunity grants and the National Direct Student Loan Program.

Basically, we are talking about a principle that has governed higher education for a long period of time, one which you share, which is the equity for all students.

I would note, by way of comment, that had the recent Government Accounting Office study, which concluded that the Supplemental Educational Opportunity Grant Program and the National Direct Student Loan Program were not reaching the exceptionally needy, had that study examined all gift aid from private institutional and State grants, as well as Federal sources for lower-income recipients, they would have noted that the total gift aid from all sources for the exceptionally needy do exceed that received by eligible recipients in progressively higher middle-income brackets.

For the benefit of counsel, I have taken the liberty in my testimony of including charts on our particular college. Sometimes I think that is helpful, and I was very pleased that our financial aid director permitted that to happen.

Therefore, I recommend the exclusion of exceptionally needy from the text of the current law. This exclusion permits the financial office professional who has access to complete student record of need, as well as total aid resources, to determine the distribution of campus-based funds.

A second area of concern, and this is a delicate one, a concern to Vermont institutions, is the allocation formula for the campus-based programs. I recognize this is not your favorite topic.

Institutions in Vermont currently receive $9.6 million in campus-based aid. Under the House bill, Vermont stands to lose 14 percent, or 554,000, in current allocations in work study funds, and 486,000, or 14 percent, in SEOG funds during the next 2 years.

Equally important, the loss would be even greater after that.

If the Senate bill continues to support the 1985–86 levels, we would urge a great spirit of compromise in the conference committee. This is a case where I know it is complicated, I know there is the national policy and there is also the fact of what the state of the art is.

Third concern is the Supplemental Educational Opportunity Grants Program, which requires an institutional share of 10 percent in 1988–89, and 15 in 1991, and 20 thereafter. It has been brought to our attention that the wording, institutional share, apparently is unclear.

But however it is interpreted, there would exist controls on how much, and to whom non-Federal funded, need-based aid could be awarded. This could severely detour middle-income students with real-like my nieces and nephews-though not necessarily exceptional need from attending institutions of their choice.

I recommend that if there must be an institutional share requirement for the Supplemental Educational Opportunity Grant Program, it should be similar to the matching requirement which existed prior to 1981.

The next concern, again, in addition to the earlier comments and the written testimony with respect to the restrictive language which targets the National Direct Student Loans from low-income families, the following observation is made:

If the law restricts National Direct Student Loans to lower-income families, than our aid officers will not be permitted to distribute the NDSL proportionately across the entire eligible applicant population.

Of particular concern to me is the total debt burden would be even greater for that population which the restrictive language is intending to help. Low-income students at Trinity would have both a $2,500 Guaranteed Student Loan, and double the amount of NDSLeach year, according to the data for 1984-85, and I have included those charts for you.

Therefore, we would recommend that the restrictive language or income cutoff parameters for NDSL eligibility be deleted.

Concerning College Work Study Program, the proposed increase in institutional matching funds from 20 to 25 percent, for some private institutions and for many public institutions dependent upon State appropriations for college work study, will be a problem.

We recommend that the college work study should be continued as a source of student assistance, and institutional matching fund requirements should be increased only to the degree that all eligible institutions would and could continue to participate.

Those conclude the five concerns and their recommendations given in the spirit of that you came to Vermont to hear how it would work here and in what I believe similar other States.

Clearly recognizing, and again in appreciation for all of that which you have avoided, and the crafting that you have managed in keeping a balance between grants, loans and college work study.

There is one concern related to an amendment, which is that the reauthorization takes effect October 1, 1986. I have given written testimony as to why you might consider changing that date to July 1, 1987.

I respectfully conclude this testimony with great appreciation for your coming today.

[Prepared statement of Sister Janice Ryan follows:]

PREPARED STATEMENT OF JANICE E. RYAN, RSM, PRESIDENT, TRINITY COLLEGE, BURLINGTON, VT

Thank you, on behalf of students, for the opportunity to speak to this Congressional Hearing on Reauthorization of the Higher Education Act concerning the Title IV Campus-Based Financial Aid Programs.

The testimony that I will give reflects the concerns of a president of a small liberal arts college, Trinity College of Vermont. These concerns are also national concerns in that Trinity is representative of many of our 3,300 colleges and universities in the United States. Trinity enrolls nearly 1,000 students; 400 of whom are traditional age women and 600 of whom are over the age of 22; in fact, we have an average age of 34. The 600 older students register for an average of two to three courses a semester with many attending full time.

WE HAVE CONCERNS RELATED TO CAMPUS-BASED PROGRAMS IN GENERAL

The language in the proposed law states "priority for exceptional need" for both the Supplemental Educational Opportunity Grant (SEOG) and the National Direct Student Loan (NDSL) Program:

Supplemental Educational Opportunity Grant (SEOG)—75 percent will be targeted to Pell Recipients.

National Direct Student Loan (NDSL)—will be targeted to students with incomes less than $25,000.

This language and its intent is too restrictive since these programs are need-based by definition. By targeting participation in the Supplemental Educational Opportunity Grant Program (SEOG) and National Direct Student Loan Programs (NDSL) to students who also qualify for Pell Grants and, in the case of Vermont residents, those who are eligible for a substantial state grant, a situation results where the student with maximum/exceptional need will have available a total gift aid resource in excess of the family resources plus "token" gift aid available for need-based aid for students from middle-income families. Had the recent Government Accounting Office (GAO) study which concluded that Supplemental Educational Opportunity Grant Program (SEOG) and National Direct Student Loan Program (NDSL) are not reaching the "exceptionally needy" examined all gift aid from private institutional and state grant, as well as Federal sources for lower income recipients in progressively higher middle-income brackets. This is as it should be.

The chart that I have included in my written testimony illustrates the point I have mentioned. The Program Summary Chart from the 1984-85 FISAP (Application and Fiscal Operations Report) has been extended to include all forms of aid other than the full guranteed Student Loan (GSL) which was part of each student's financial aid package.

Application and Fiscal Operations Report (FISAP)

Name of Institution and State: Trinity College, Vermont — Serial Number: 5243 — Facility Number: 1 01 017 9330 41

Part VI. Program Summary

For Award Year July 1, 1984 Through June 30, 1985

Section A. Income Distribution of Program Recipients

STUDENT FAMILY INCOME CATEGORY	NDSL		GSL/SLS		PLUS		SMS		SUMMARY	
	a. Recipients	b. Funds	a. Recipients	b. Funds	a. Recipients	b. Funds	a. Recipients	b. Amount Earned	a. Unduplicated Number of Recipients	b. Amount Spent
1. $0 – $6,999	3	1,050	2	2,000	1	1,500	5	7,050	6	8,110
2. $7,000 – $11,999	10	4,200	4	7,900	2	4,500	18	15,574	20	25,574
3. $12,000 – $17,999	17	7,950	12	17,400	9	8,500	23	18,142	27	48,992
4. $18,000 – $23,999	15	6,150	6	6,000	11	9,600	26	21,067	25	38,417
5. $24,000 – $29,999	13	7,350	3	3,750	8	7,500	16	12,118	21	28,718
6. $30,000 and Over	29	15,600	15	9,600	12	11,400	44	33,761	50	70,361
7. Undergraduate Independents	12	7,100	6	3,000	15	12,500	6	7,960	26	35,360
8. Less than half-time students	DOES NOT APPLY	DOES NOT APPLY	0	0	0	0	0	0	0	0
10. TOTAL	99	50,200	50	50,150	66	55,000	132	106,162	173	264,632

1984-85 Supplemental Aid Data

STUDENT FAMILY INCOME CATEGORY	PELL		VSAC/SSIG		TRINITY GIFT AID		TRINITY WORK AID		OFF-CAMPUS MISC. GIFT AID		SUMMARY OF TOTAL AID	
	RECIP.	FUNDS	RECIP.	FUNDS	RECIP.	FUNDS	RECIP.	FUNDS	RECIP.	FUNDS	UNDUP. RECIP.	FUNDS
1	9	14,390	5	7,710	9	6,030	1	1,000	7	1,600	9	40,548
2	21	31,469	20	33,795	22	19,690	7	1,544	7	8,030	23	120,107
3	31	36,075	26	47,670	31	32,802	8	8,107	7	5,685	34	173,274
4	20	18,919	21	41,490	27	25,950	7	7,072	6	6,987	27	130,788
5	6	3,325	16	28,245	23	26,167	7	7,497	4	5,077	25	96,124
6	7	7,350	22	26,180	51	50,397	5	8,627	7	5,059	52	164,769
7	51	75,830	45	75,220	34	16,760	0	0	7	12,161	55	205,269
9												
TOTAL	145	187,308	155	260,310	197	176,700	35	34,587	60	43,344	225	928,876

(Pell + Campus-Based) $411,064 = federal money
(VSAC + TC + other misc.) $517,812 = non-federal money
(GSL eligible) $557,500

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COMMENTS REGARDING THE PRECEEDING CHARTS.

The chart shows only full-time students due to the fact that their total costs are very similar and thus a valid comparison can be made. N.B. Independent students should not be compared with dependent students as most enroll/pay for 12 credits per semester while dependent full-time students are enrolled/charged for 15 credits per semester. This results in approximately $1,400 less cost per year per independent student budget than for dependent students.

The data does include some students who enrolled for only one semester or less. Category 1 (0-$5,999) includes 2 dropouts, 2 who declined CWS awards, and 2 living with parents.

The chart does not show full-time students with no campus-based aid who may be received gift aid from State and private sources and/or full Guaranteed Student Loans and who have small Parents' Loans for Undergraduate Students (PLUS) packaged to meet need.

RECOMMENDATION

Exclude "exceptionally needy" from text for Supplemental Educational Opportunity Grant Program (SEOG) and National Direct Student Loan Program (NDSL). This exclusion permits the Financial Aid Office professional who has access to complete student record of need as well as total aid resources to determine the distribution of campus-based funds.

A second area of obvious concern to Vermont institutions is the allocation formula for the campus-based aid. Without this influx of funds for needy students, many small independent institutions such as Trinity College would not be able to assist or attract students from low and middle-income families.

Criticism has been voiced about the unfair distribution patterns under the current allocation formula. Without debating the merits of these arguments, allow me simply to state that Vermont institutions would be adversely affected by the proposals adopted by the House. I understand that Congressman Jeffords made Vermont's position quite clear during the deliberations of the Bill; please allow me to state that we support his "Vermont amendments" wholeheartedly!

Let me briefly outline the differences in terms of estimated financial impact of the House and Senate provisions. Under the House bill, Vermont stands to lose $554,000 (14 percent) of current allocations in College Work-Study funds and $486,000 (also 14 percent) in SEOG funds during the next two years. The loss would be even greater after that. Under the proposed Senate provisions, we recoup these losses because the hold harmless provisions would apply to FY85 appropriations. Under either Bill, Vermont would not be able to receive increased funding due to increased appropriations since the "fair share" limitations would rule us out.

RECOMMENDATION

We prefer the current Senate approach and hope that the committee of conference will look favorably upon the plight of small states such as ours which stand to suffer disproportionately - to the detriment of needy students at their institutions.

WE HAVE CONCERNS RELATIVE TO SPECIFIC CAMPUS-BASED PROGRAMS

The Supplemental Educational Opportunity Grant Program (SEOG) requires an "Institutional Share" of 10 percent in 1989-90, 15 percent in 1990-91, 20 percent in 1991-92.

The wording "Institutional Share" is unclear—it could be interpreted to mean:

a. A re-establishment of the earlier matching concept as was required prior to 1981; or

b. "Institutional Share" could mean matching funds are to be appropriated directly into Supplemental Educational Opportunity Grant Program (SEOG) awards similar to current procedures in the College Work-Study Program (CWS).

In either situation, if the "exceptionally needy" provisions already discussed remain in the law, there would exist controls on how much and to whom non-Federal funded, need-based aid could be awarded. Especially if the latter intent of "institutional share" prevails, a substantial proportion of the institutional's own private aid funding for students with need would be controlled by the "exceptionally needy" legislation, thus limiting an institution's ability to award its own aid resources to eligible aid applicants who display need according to the Federally legislated needs formula. This could severely deter middle-income students with "real," though not "exceptional," need from attending institutions of their choice because of legislative

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limitations on private aid resources that should otherwise be available for these students.

RECOMMENDATION

If there must be an "institutional share" requirement for Supplemental Educational Opportunity Grant Program (SEOG), it should be similar to the "matching" requirement which existed prior to 1981.

National Direct Student Loan Program (NDSL)/Perkins Loans

In addition to the earlier comments made with respect to restrictive language which targets National Direct Student Loans (NDSL) to students from low-income families, the following observation is offered: Over the past several years, though most private institutions like Trinity College has appropriated increasingly larger percentages of the college budget for financial aid, most have not been able to avoid expecting all aid recipients to meet $2,500 of their need each year with a Guaranteed Student Loan (GSL). Additional institutional funds would not be available to permit packaging larger National Direct Student Loans (NDSL) awards to lower-income recipients in lieu of packaging $2,500 in Guaranteed Student Loans (GSL) for each recipient. Funding levels from all sources simply do not provide enough funding for this, if the need of all eligible aid recipients including those from middle-income families is to be met.

If the law restricts National Direct Student Loans (NDSL) to lower-income families, then the aid officer will not be permitted to distribute National Direct Student Loans (NDSL) proportionately across the entire eligible applicant population; rather, the total debt burden would be greater for that population which the restrictive language is intending to help! Low income students at Trinity would have both a $2,500 Guaranteed Student Loan (GSL) and double the amount of National Direct Student Load (NDSL) each year according to data for 1984-85 (see charts previously discussed).

The National Direct Student Loan (NDSL) Program has been, and can continue to be, a significant source of student aid. In addition to the monetary contribution it makes toward meeting student need, it provides opportunities for individual debt counseling during both college and repayment years. At Trinity College, continued debt counseling, along with regular billing and collection activities between the Financial Aid Office and National Direct Student Loan (NDSL) borrowers, has resulted in many enduring alumnae contacts and an impressive default rate (less than 2 percent for each of the last five years).

RECOMMENDATION

Do not include restrictive language or income cut-off parameters for National Direct Student Loan (NDSL) eligibility.

COLLEGE WORK-STUDY PROGRAM

The proposed increase in institutional matching funds from 20 percent to 25 percent does not present a problem to Trinity College in particular, since we already overmatch College Work-Study (CWS) Federal funds in order that student need for self-help aid and career development experiences can be available to eligible students. It should be stressed that for some private institutions and for many public institutions dependent upon State appropriations for College Work-Study (CWS) matching funding, the increased match will be a problem.

28.9 percent (or 35) or our jobs are directly related to specific majors/career goals which also provide general work experience required in professional setting.

67.4 percent (or 80) of our jobs provide general work experience required for professional/business work place.

3.7 percent (or 4) of our additional work opportunities are available during evening/weekend hours for those whose class/placement schedule make regular day-time part-time jobs impossible.

The College Work-Study (CWS) Program has in the past and can continue to be a significant contribution toward meeting student's financial needs and providing career development opportunities presuming that adequate funding can be appropriated.

RECOMMENDATION

The College Work-Study Program (CWS) should be continued as a source of student assistance and institutional matching fund requirements should not be in-

creased to the degree that all eligible institutions cannot afford to participate in the program.

In conclusion, we have a concern related to amendments (reauthorization) to take effect October 1, 1986.

Students would be awarded and disbursed Title IV funds according to current law for Summer Session, 1986 and Fall Semester (September) 1986, but then programs would have to be administered and audited under the new law for late Fall Semester (after October 1) and all Spring Semester, 1987. It would be clearer and less confusing if the effective date is changed to July 1, 1987, which is the beginning of the academic and fiscal year for most institutions of higher education.

RECOMMENDATION

Date be changed to July 1, 1987.

Once again, on behalf of students, I thank you for the opportunity to present this testimony.

Mr. FORD. Let me show you how fast we can do what you want. The Perkins Loan Program was amended on the floor by the son of Carl Perkins, Chris Perkins, so the language you are objecting to was removed on the floor.

Sister RYAN. Thank you. Now, if we could work on hold harmless at this same rate, Chairman Ford——

Mr. FORD. That I can't do anything for you on.

Mr. JEFFORDS. Mr. Chairman, may I interrupt just for an announcement?

Mr. FORD. Go ahead.

Mr. JEFFORDS. The lunch was scheduled for 12 for a number of people here. However, that obviously is not something consistent with our present operation. We are going to break for lunch at 1, and then we will return as soon before 2 as we can.

That may mean some difficulties at the end of the presentation, but because a number of people who were going to be at lunch wish to have some personal discussions with the members, we are going to stick to that schedule.

Mr. JEFFORDS [presiding]. Now, our next witness is Dr. Gilbertson. Please proceed.

STATEMENT OF DR. ERIC R. GILBERTSON, PRESIDENT, JOHNSON STATE COLLEGE

Dr. GILBERTSON. My name is Eric Gilbertson, I am president of Johnson State College. I want to join with my colleagues in expressing our appreciation to members of the group for coming, and for hearing us out on these important topics.

Listening to your chairman and to some of the other comments, I guess we may, in a way, have a sense of an evangelist preaching to a tent full of souls already saved, but we want you to know how much we appreciate your understanding of and support for these programs.

You also present an irresistible opportunity to comment, if only briefly, on the ominous cloud hanging over all these discussion of reauthorization, and that is the appropriations issues.

It must be an interesting time to serve in Congress. We are not unaware of the parade of people that are coming back and forth in front of you, each arguing their own cause. I am sure the Secretary of Defense and generals and contractors and pensioners have their arguments to you; tobacconists, farmers, medicaid recipients, Governors, mayors, everyone aroused; and there are dams and mass

transit systems and highways and bridges to build; office buildings and courthouses to erect.

And we are aware that we are a part of that parade. But we are not blankly unaware that there are other good causes and other good people. And also, we are poignantly aware that it is within the power of the Congress to either to meet the needs all of us presented or dash the hopes.

You are likely not unaware that the President of the United States offers to play Dirty Harry to any political actor who proposes to tax ourselves at a level to meet these needs.

So it must be an interesting time to serve in Congress, and we are not unsympathetic or unappreciative to the very difficult and cruel decisions that you have to make, and the cruel choices.

So, we don't say don't do it to us, don't damage our programs merely from a narrow self-interest. We are very gratified by particularly your chairman's remarks at the beginning of this session, pointing out that these programs are dedicated to the future, and that they are unique in that sense, in the farsightedness of this Federal policy.

I have been assigned to address specifically the Federal Work Study Program. I would like to do that briefly. It is a proven program, we believe soundly conceived to accomplish multiple objectives.

We are gratified that the House resolution retains it, and we are gratified at level of authorization present in your resolution.

Our criticisms of the specifics in H.R. 3700 are fairly minor. It will not be surprising to you. You would expect us to have some concerns, and to be decidedly unenthusiastic about the increase in the institutional match from 20 to 25 percent. We will not disappoint you. That is difficult for us, and we are unenthusiastic about it.

Surely, there is no amount of evidence to suggest that our institutional budgets are so flush that there are funds just waiting to be tapped for this purpose, albeit as good a purpose as it is.

It would clearly draw resources away from other needs, particularly academic personnel and academic equipment, areas that are clearly short-funded already in American higher education.

You would also, I suspect, looking at who we are, expect us to express some skepticism about private sector participation. In this, we won't disappoint you. There are clearly some important public policy questions there about direct support for profit-making entities.

We are gratified very much about the 10-percent carry-forward, carry-back authority. We would urge your attention, particularly as it relates to Vermont institutions, at the importance of the whole provision.

And the 1985 level in the Senate bill is obviously a preferable to all of us. With institutions as small as ours, as dependent as we are upon this continued funding, and the fragility that it proposes to us, we again ask your support for that.

We could relate to you a whole range of touching stories about the Federal Work Study Program, what it has done for students, what it has done for institutions. I think you know of them. I am

sure you know of your constituents who have benefited from them, and institutions that have benefited from them.

We simply want to point out to you, there are those human stories, that human impact beyond the numbers and the statistics that you have before you.

The program simply has no losers. The students, the institutions, the public and the future. And we appreciate your continued support for it.

[Prepared statement of Dr. Eric Gilbertson follows:]

PREPARED STATEMENT OF ERIC R. GILBERTSON, PRESIDENT, JOHNSON STATE COLLEGE

I appreciate the opportunity to appear before you. We also appreciate your willingness to come to our State and conduct hearings on these very important matters.

My assigned topic concerns the implications of the Reauthorization proposals relative to the College Work-Study Program. But a distinguished panel like this presents an irresistible opportunity to digress briefly and offer gratuitous comment on the context in which these hearings and the Congressional deliberations on Reauthorization are taking place. Our specific subject is the Reauthorization Act—but weighing heavily on our minds, and hanging like an ominous cloud over these discussions, are questions about appropriations.

Will Rogers once remarked that "everything is funny as long as it is happening to somebody else." Similarly, while funding cuts are rarely funny, they are certainly less painful if they are happening to someone else. And so, in the wake of Gramm-Rudman-Hollings—the Federal government's collective admission that it is incapable of dealing with the obligation to tax and spend sensible in the Constitutionally prescribed manner—a sundry assortment of strange fellows has lined up to protest proposed reductions in their funding.

Come now Caspar Weinberger and the Generals and contractors and military pensioneers everywhere, stirring patriotism and the spectre of another Munich if Defense budgets are not generously increased; tobacconists and their apologists promise economic or political disaster if cancer subsidies are meddled with; frightened medicaid recipients and confident, well-heeled physicians speak earnestly about the "quality of health care"; grey panthers threaten to marshall their votes and drive from office anyone who suggests reneging on the perceived promises of the Social Security system; governors and mayors are aroused; the truly needy are fearful; a way of life on the family farm is in real jeopardy; and there are still dams and mass transit systems and highways and bridges to build, federal office building and court houses to erect and fill with overworked bureaucrats and overloaded court dockets.

Come now college presidents, faculty and students to join this parade passing before you—poignantly aware that there are other good causes and good people who, like us, come forward honestly and with genuine concerns about real needs—all knowing that it is in the power of the Congress to meet these needs or dash our fervent hopes.

We are also aware that to all of this the President of the United States offfers to play "Dirty Harry" opposite any political actor with the temerity to propose that we tax ourselves at a level sufficient to meet these domestic needs.

We in higher education now we make our case, convinced of the merits and worth of what we propose—though not blithely unaware of the awesome problems and the cruel choices faced by the Congress in this era. As complex as the problems are, the good sense of the American people has now been clearly persuaded that the Federal government simply cannot incur $220 billion deficits without producing imminent economic disaster.

And while the real effects of all this on current interest rates, foreign exchange, inflation, and economic growth elude even our most thoughtful economists, much less the person in the streets, we understand that something must be done.

But we do not say, "Don't do it to us," merely from narrow self-interest. Rather, we believe that these programs and the federal support for American higher education are so fundamental to the basic character of this, a democratic society, that the cavalier or rote reduction in their funding is fundamentally wrong, fundamentally anti-American.

Higher education programs have only minimal short-term political payoffs—we understand this. The effects of maintaining strength in our national system of higher education and proserving the opportunity for personal and professional improvement by the millions of Americans are long-term. The loss of opportunities for

college students and the injuries to our institutions will be felt immediately—and they will be painful. But the real effects of such a short-sighted action, the real damage, will be to our national future.

The higher education appropriations, as authorized by the Act before you, are directed toward the future—to the end that we will prepare succeeding generations for economic productivity, enlightened citizenship, and social and cultural progress. If short-term political or economic expediencies are permitted to injure these programs, these institutions, these citizens, the damage will be suffered in and for generations to come.

The College Work-Study Program—a proven program, soundly conceived to accomplish multiple objectives, provides a superb example of enlightened federal policy toward higher education. We are gratified that HR 3700 retains the program, largely intact. We are further gratified that the authorization levels were increased from $592.5 million to $700 million in fiscal year 87.

Our criticisms of the specific provisions in HR 3700 are relatively minor. The "institutional match" is proposed to increase from the current 20 percent to 25 percent. I trust the Congress has no false impression that the budgets of institutions of higher education have mysteriously become flush with new funding, unneeded for other purposes, which should be captured into this program. If so, we are armed with mounds of evidence to the contrary.

The 20 percent institutional match has proven itself workable and fair, and institutional budgets have been built for a great many years in anticipation that this basic ratio of federal to institutional support will and should remain in place. Now, to require the institutions to match an additional 5 percent of the funding for this program, simply places an additional burden on institutional budgets, thereby drawing resources away from academic equipment and personnel-at a time when support for both of these is well below desirable levels.

We know of no compelling reason why the institutional match should be increased. We respectfully ask that you favorably consider amending HR 3700 to reinstate the level of institutional match to its current 20 percent.

We also note, with considerable skepticism, that HR 3700 expands the notion of private sector participation, including on-campus support for proprietary institutions. Coming, as we do, from the public and non-profit sector, you would expect us to be skeptical of this proposal. We shall not disappoint you. We have serious questions about the fundamental public policy implications of providing this sort of direct support for profit-making entities. The additional questions about spreading a finite and already inadequate level of resources across an increased number of beneficiary institutions must also be considered.

We are gratified by the 10 percent carry forward and carry back authority. And we urge your serious consideration of the hold harmless provisions, which guarantee 100 percent of fiscal year 85-86 level funding for all campus-based programs, as provided in the Senate version of the Reauthorization Act. This particular provision is extraordinarily important to Vermont institutions—for the most part small institutuirs heavily dependent upon stable funding for important programs like this.

We could each relate to you touching stories to exemplify in human terms the virtues of this particular program—needy students who have been helped to meet college costs with work-study jobs, youths drifting aimlessly through educational programs who develop a work ethic through college work-study employment, struggling institutions and worthy but under-funded educational programs assisted by the energetic and dedicated efforts of students in work-study jobs. But, I suspect, you know all about that—it would be rather like an Evangelist preaching to a tent full of souls already saved. And so I simply tell you that there are such touching stories—to reaffirm, in human terms, the worth of this program, its importance to people and to institutions that serve people.

The College Work-Study Program was, again, well conceived—support for individuals who are engaged in self-help, inculcating the work ethic at the same time it provides an outstretched hand to help and support. Its value can be demonstrated by sheer numbers—numbers of students helped, numbers of graduates who have obtained important work experience through the program, whatever numbers you like. I only wish, however, that the members of Congress could personally sense or feel or see students grow through the work-study experience, that you could feel the appreciation of families whose burden has been eased by their son's or daughter's work-study eligibility.

From the institutional standpoint, there is no doubt that many Vermont institutions—particularly the smaller institutions—obtain irreplaceable services through this program. There is no doubt that our institutions are considerably better because of these services and because of this program.

The program has no losers—students, institutions, the public, the future. We appreciate your support for the program and for reauthorization, and we appreciate your willingness to hear us out on these important matters.

Mr. JEFFORDS. Thank you very much, Doctor.

Our next witness is Nelberta Brink, the director of financial aid at St. Michael's College. Please proceed.

STATEMENT OF NELBERTA BRINK, DIRECTOR OF FINANCIAL AID, SAINT MICHAEL'S COLLEGE

Ms. BRINK. Good morning.

I am Nel Brink, director of financial aid at St. Michael's College. I am pleased to have been asked to appear before you to present the views of a private school, director of financial aid on the reauthorization of the Higher Education Act, particularly in the area of campus-based aid.

At St. Michael's College, we subscribe to the philosophy that the primary responsibility of meeting the costs of a college education rests with the parents.

However, we also realize that under the present economic conditions, and due to the high cost of a private college education, there are families who do not have——

Mr. JEFFORDS. Would you please pull the mike a little bit closer? Thank you.

Ms. BRINK. OK.

We also realize that under the present economic conditions, and due to the high cost of a private college education, there are families who do not have the available means to send their children to a private college.

In recognition of this fact, St. Michael's College uses every possible means to bridge the gap that may exist between family resources and college expenditures.

To bridge this gap, St. Michael's depends heavily upon the campus-based programs. These programs are used as the base upon which our own college funds are awarded.

During 1985–86, we received $488,600 in Federal funds for the operation of the campus-based programs. To this, we added over $300,000 in national direct student loan repayment funds.

This gives us nearly $800,000 to operate the campus-based programs. The $800,000 was supplemented by $1.4 million of our own funds. Over 750 needy students were assisted with an average financial aid award of $2,933; $1,066 of this, or 36 percent of this average award came from the campus-based programs.

Unfortunately, we were not able to meet the full need of our financial aid applicants, and found it necessary to leave each aid applicant or recipient with an average unmet need of $2,800. Students who applied for aid and had a need of less than $2,800 were denied aid.

We feel that most, if not all of these students would not have been able to attend St. Michael's College without the support of these programs. I would like to comment on a few particular areas of H.R. 3700.

The first of these is the Supplemental Educational Opportunity Grant Program. While we support the concept behind your propos-

al to award SEOG funds to students with exceptional need, we question the lack of a definition of the term.

We would ask that the term "exceptional need" be defined as follows: That the family contribution can be no greater than one-half the cost of the college cost in order to be eligible for an SEOG grant. This definition has been used in previous legislation and is fairly easy for the aid administrators to use.

We also have reservations concerning the targeting of 75 percent of SEOG funds to Pell grant recipients. We agree that Pell grant recipients are the neediest students; however, in a State such as Vermont which has a strong grant program, these students are already receiving a substantial amount of grant aid.

By requiring that they should also be receiving a large amount of SEOG funds, you would be denying many colleges the opportunity to practice what we call equity packaging. These students, in many cases, would be funded solely from grant programs and would not be eligible for self-help aid which is normally a part of all financial aid packages at Saint Michael's.

We feel that this would create a negative impression for some students that life is made up of giveaway programs and would negate the whole idea of the work ethic. Rather than targeting 75 percent of SEOG funds to Pell recipients, we would prefer that the phrase "priority for SEOG funds will be given to Pell grant recipients."

We also do not support the concept that institutions be required to provide institutional matching funds for the SEOG program. For many colleges, this matching requirements would prove a hardship, particularly during this time of tight college budgets.

The Work Study Program is one of the most popular of the campus-based programs. This year, Saint Michael's College will employ over 575 students in the program in both on-and off-campus jobs. There is very little that needs to be done to improve this program.

We continue to support the current split of 80 percent from Federal funds and 20 percent from institutional funds for both on and off-campus Work Study employment. We feel that this split encourages participation in the program, and at the same time, it does not place an unrealistic burden on the part of the college or agency.

We do not support, however, the inclusion of the private for-profit sector in the participation of the Work Study Program. We feel that tax dollars should not be used to give competitive advantage to private enterprise.

Since the establishment of the National Direct Student Loan Program, St. Michael's College has made loans to 3,432 students. Our default rate is currently 4.5 percent. Our students do such a fine job of repaying their loans, we no longer receive any Federal capital contributions.

Our faith in this program and in our students' willingness to repay their loans contributes to our willingness to contribute over $500,000 of our own funds to this program this year.

Since the purpose of the NDSL program is to assist needy students to meet their educational costs, we recommend the interest

rates continue at a lower rate than the Guaranteed Student Loan Program.

I would like to finish by stating that I know from personal experience the value of the campus-based programs. As a student at Lyndon State College, I was employed in the financial aid office. I learned that first-hand the necessity of these programs and the part that they played in assisting students in completing their college careers.

It weren't for the experience I gained from the Work Study Program and money which I earned to pay my living expenses while a student, I would not hold the position I do today.

I would like to say thank you to the people that made these programs possible, and sincerely hope that they will be continued for many years to come.

[Prepared statement of Nelberta Brink follows:]

PREPARED STATEMENT OF NELBERTA BRINK, DIRECTOR OF FINANCIAL AID, SAINT MICHAEL'S COLLEGE

Congressman Jeffords and Congressman Ford.

Good Morning. I am Nelberta Brink, Director of Financial Aid at Saint Michael's College.

I have been asked to appear before you to present the views of a private school Director of Financial Aid on the reauthorization of the Higher Education Act particularly in the area of campus-based aid.

At Saint Michael's College, we subscribe to the philosophy that the primary responsibility of meeting the costs of a college education rests with the parents. However, we also realize that under the present economic conditions and due to the high cost of a private college education, there are families who do not have the available means to send their children to a private college. In recognition of this fact, Saint Michael's College uses every possible means to bridge the gap that may exist between family resources and college expenditures.

To bridge this gap, Saint Michael's depends heavily upon the campus-based programs, i.e., College Work-Study National Direct Student Loans and Supplemental Educational Opportunity Grants. These programs are used as the base upon which our own college funds are awarded. During 1985-1986 we received $488,600 in Federal funds for the operation of the campus-based programs. To this we added over $300,000 in National Direct Student Loan repayment funds. This gave us nearly $800,000 to operate the National Direct Student Loan, Supplemental Educational Opportunity Grant and College Work-Study Programs. This $800,000 was supplemented by $1.4 million of our own funds. Over 750 needy students were assisted with an average financial aid award of $2933; $1066 or 36 percent of this average award came from the campus-based programs. Unfortunately, we were not able to meet the full need of our financial aid applicants and found it necessary to leave each aid recipient with an average unmet need of $2800. Students who applied for aid and had a need of less than $2800 were denied aid.

We feel that most, if not all of these students would not have been able to attend Saint Michael's College without the support of these programs. I would like to comment at this time on a few particular areas of H.R. 3700.

The first of these is the Supplemental Educational Opportunity Grant Program. While we support of these programs. I would like to comment at this time on a few particular areas of H.R. 3700.

The first of these is the Supplemental Educational Opportunity Grant Program. While we support the concept behind your proposal to award SEOG funds to students with "Exceptional Need" we question the lack of a definition of the term. We would ask that the term "Exceptional Need" be defined as "The Family Contribution can be no greater than one-half the college costs in order to be eligible for an SEOG Grant." This definition has been used in previous legislation and greatly simplifies the interpretation of the term "Exceptional Need."

We have reservations concerning the targeting of 75 percent of SEOG funds to Pell Grant recipients. We agree that Pell grant recipients are the neediest students, however, in a state such as Vermont which has a strong grant program, these students are already receiving a substantial amount of grant aid. By requiring that they should also be receiving a large amount of SEOG funds, you would be denying

many colleges the opportunity to practice equity packaging. These students in many cases would be funded solely from grant programs and would not be eligible for the self-help aid which is normally a part of all financial aid packages at Saint Michael's College. We feel that this would create a negative impression for some students that life is made up of give away programs and would negate the whole idea of the work ethic. Rather than targeting 75% of SEOG funds to Pell recipients, we would prefer that the phrase "Priority for SEOG funds will be given to Pell Grant recipients."

We do not support the concept that institutions be required to provide institutional matching funds for the SEOG Program. For many colleges, this matching requirement would prove a hardship, particularly during this time of tight college budgets.

The Work-Study program is one of the most popular of the campus-based programs. This year Saint Michael's College will employ over 575 students in the program in both on and off-campus jobs. There is very little that needs to be done to improve this program. We continue to support the current split of 80% from federal funds and 20% from institutional funds for both on and off-campus Work-Study employment. We feel that this split encourages participation in the program and at the same time it does not place an unrealistic financial burden on the part of the College or Agency.

We do not support, however, the inclusion of the private for profit sector in the participation of the Work-Study Program. We feel that tax dollars should not be used to give competitive advantage to private enterprise.

Since the establishment of the National Direct (Defense) Student Loan Program, Saint Michael's College has made loans to 3432 students. our default rate is currently 4.5%. As a matter of fact, our students do such a good job of repaying their loans, we no longer receive any federal capital contributions. Our faith in this program and in our students' willingness to repay their loans contributed to our willingness to contribute over $500,000 of our own funds to this program this year.

Since the purpose of the NDSL Program is to assist needy students to meet their educational costs, we recommend the interest rates continue at a rate lower than the Guaranteed Student Loan Program.

We do not support the targeting of NDSL funds to students with incomes less than $25,000. The funds should be targeted to students showing documented need. Family income is not the only gauge of the family's ability to pay for a college education. The size of the family, assets, number of children in college, etc., should also be taken into consideration.

I would like to finish by stating that I know from personal experience the value of the campus-based programs. As a student at Lyndon State College I was employed in the Financial Aid Office. I learned first hand the necessity of these programs and the part that they played in assisting students in completing their college careers. If it weren't for the experience I gained through the Work-Study Program and money which I earned to pay my living expenses while a student at Lyndon, I would not hold the position I do today. I would like to say thank you to the people who have made these programs possible and sincerely hope that they will be continued for many years to come.

Mr. JEFFORDS. Thank you very much.

I note, Ed, that I skipped over your name on the list here. Would you please proceed? I jumped by you by accident, sorry about that.

STATEMENT OF EDWARD P. FRANZEIM, JR., DIRECTOR, GRANT PROGRAMS & FINANCIAL AID SERVICES, VERMONT STUDENT ASSISTANCE CORP., WINOOSKI, VT

Mr. FRANZEIM. Mr. Chairman and members of the subcommittee, I am Ted Franzeim, the director of the grant and financial aid services at Vermont Student Assistance Corp.

It was almost a year ago here in Burlington, before a joint Senate-House Education Subcommittee hearing, that many of us had the opportunity to share with you our views on the student aid programs and reauthorization.

From my perspective, the four primary goals to be achieved through reauthorization of the Higher Education Act remains stability, adequate funding, flexibility to meet individual student

needs, and more balance between the self-help programs and grant assistance.

It appears that both the House and Senate reauthorization bills attempt to accomplish many of these same goals. There are, however, several areas of concern that pertain to the campus-based programs that I would like to comment on.

They include the targeting of funds; the allotment of the campus-based programs; and the balance between the self-help programs and grant assistance.

Both the Senate and the House bill target campus-based funds to needy students by a two-tiered approach; one on the basis of need and the other by some other criteria such as Pell grant eligibility or adjusted gross income.

It would appear such an approach may be redundant and in some instances, the results would be contradictory to the intent of the provisions. Much of the recent criticism of the campus-based programs has focused on the distribution of the campus-based programs to many middle-income families.

This, however, does seem ironic in view of the fact that many of the provisions of the education amendments of 1980 and the Middle Income Student Assistance Act encouraged institutions to award campus-based funds to middle-income families.

If the intent of this reauthorization is to refocus the student aid programs to the most needy, I would recommend targeting the aid on just that, need, not on adjusted gross income or Pell eligibility.

The Economic Recovery Act of 1981 has, in many instances, made adjusted gross income irrelevant to a family's need, or the ability to provide for the student's educational expenses.

The targeting of campus-based aid on Pell eligibility may also not achieve the desired results. The so-called net neediest student—neediest after receiving a Pell grant—may, in fact, not an institution's Pell grant recipients.

You also could have an eligibility criteria that could vary depending on the Pell grant appropriation.

In my judgment, the additional criteria of adjusted gross income and trying SEOG to Pell eligibility, reduces institutional flexibility and creates unnecessary administrative requirements. If the programs are to be targeted to the neediest, the law should so state.

Prior to the amendments of 1980, the SEOG program targeted funds to students with exceptional need. I would suggest that the current bills retain the exceptional need criteria and define exceptional need according to the provisions prior to the amendments of 1980.

I, too, share the same concern as others on the allocation of the campus-based programs. The campus-based programs have been vital to Vermont. Last year, almost 70 percent of our State grant recipients also received some form of campus-based aid. We support, obvious reasons, the Senate bill and the efforts of Congressman Jeffords and his amendments which you, Mr. Chairman, have affectionately referred to as the "Vermont Amendments."

According to a 1983 simulation that was run by the Department of Education, Vermont would lose 33 percent of its campus-based funding if the conditional guarantees and the State allotment formulas were eliminated.

In all, 37 States, including Michigan, Wisconsin, and Minnesota, would lose funding if the institutional conditional guarantee and the State allotment formulas were eliminated.

The impact today would be even greater due to the additional funds Vermont has received since 1983. Needless to say, the impact on Vermont's institutions and its needy students would be staggering.

If the intent of the House bill is to phase in a new distribution system of campus-based funds, it would appear more appropriate to use the most current levels of expenditures, 1985, rather than go back to 1979.

Last, I again believe we must examine the balance between the self-help programs and grant assistance. As college costs have continued to rise without corresponding increases in grant assistance, students and families have had to rely on the self-help programs to meet a larger share of the student's educational costs.

In view of the dire need for additional grant assistance, at a time of growing fiscal constraint on the Federal level, Congress must look at alternatives to increase grant assistance to students.

I believe a viable alternative could be the States. The State Student Incentive Grant Program could be the vehicle for the Federal Government to increase grant assistance to students.

Past Federal programs that included State incentives have been successful in increasing State efforts. Many States are grappling with fiscal problems of their own, and are seeking alternatives to maximize their educational dollars. An expanded SSIG program would provide such an alternative.

There is one other issue that I would like to mention, although it is not included in either reauthorization bill, and that is verification.

I am deeply concerned that the new verification requirements that are about to be issued by the Department of Education will severely impede the student aid delivery process. I believe all are concerned with the accuracy of information that a family provides and most institutions perform some level of verification.

The new verification requirements, however, go well beyond the simple verification of information. Consider a first-year student who has been accepted at four institutions and has been selected for verification.

That student would be required to complete a verification form for each school, plus a Pell verification form. That is nearly the equivalent of completing five different financial aid statements.

Students are going to be bombarded with a multitude of different forms. I am fearful that many students, particularly the disadvantaged students, will be overwhelmed by the verification process and simply give up in their pursuit of an education.

Over the years, other Members of Congress, the Department of Education, and institutions have attempted to simplify and streamline the financial aid process. It is ironic that the Department of Education is now doing a complete reversal and turning the clock back under the disguise of verification.

Again, reauthorization provides us with an opportunity to review and modify the Higher Education Act. Both the Senate and House bills appear to reflect the evolutionary changes that are healthy

and necessary, taking into account the changing needs of our society.

I wish to thank you, Mr. Chairman, and your subcommittee, for this opportunity to present my views before you today. I also would like to commend you and your colleagues for seeking comments from such a diverse representation of groups and individuals who would be affected by changes in the student aid programs.

[Prepared statement of Edward Franzeim follows:]

PREPARED STATEMENT OF EDWARD P. FRANZEIM, JR., DIRECTOR, GRANT PROGRAMS & FINANCIAL AID SERVICES, VERMONT STUDENT ASSISTANCE CORP., WINOOSKI, VT

Mr. Chairman and Members of Subcommittee:

I am Ted Franzeim, Director of the Grant and Financial Aid Services at Vermont Student Assistance Corporation. In additon to administering Vermont's state grant and the Student Employment Program, the grant and financial aid services division of VSAC administers all Title IV student aid programs for five postsecondary institutions located throughout the state.

It is a pleasure for me to appear before you today and offer my views on the House and Senate bills to reauthorize the Higher Education Act.

It was almost a year ago, here in Burlington, before a joint Senate/House Education Subcommittee hearing that many of us had the opportunity to share with you our views on the student aid programs and reauthorization. Again, from my perspective, the four primary goals to be achieved through reauthorization of the Higher Education Act remains the same: 1) stability, 2) adequate funding, 3) flexibility to meet individual student needs and 4) more balance between the self-help programs (i.e., loan and student employment) and grant assistance.

It appears that both the House and Senate Reauthorization bills attempt to accomplish many of these same goals. There are, however, several areas of concern that pertain to the campus-based programs that I would like to comment on. They include the targeting of SEOG and NDSL funds; the allotment of the campus-based programs and the balance between the self-help programs and grant assistance.

Both the Senate and House bill target campus-based funds to needy students by a two tiered approach; one on the basis of need and the other by some other criteria such as Pell Grant eligibility or adjusted gross income. It would appear such an approach may be redundant and in some instances, the result would be contradictory to the intent of the provision. Much recent criticism of the campus-based program to many middle income families. This, however, does seem ironic in view of the fact that many of the provisions of the Education Amendment of 1980 and the Middle Income Student Assistance Act encouraged institutions to award campus-based funds to middle income families.

If the intent of this reauthorization is to refocus the student aid programs to the most needy, I would recommend targeting the aid on just that, need, not on adjusted gross income or Pell eligibility. The Economic Recovery Act of 1981 has, in many instances, made adjusted gross income irrelevant to a family's need, or the ability to provide for the student's educational expenses.

The targeting of campus-based aid on Pell eligibility may also not achieve the desired results. The so-called net neediest student (neediest after receiving a Pell Grant) may, in fact, not be an institution's Pell Grant recipients. You also would have an eligibility criteria that would vary depending on the Pell Grant appropriation.

The targeting of SEOG funds to Pell Grant recipients also appears inconsistent for self-supporting students whose eligibility for Pell Grants is based on a different year's income.

In my judgement, the additional criteria of adjusted gross income and tying SEOG to Pell eligibility, reduces institutional flexibility and creates unnecessary administrative requirements. If the programs are to be targeted to the neediest, the law should so state. Prior to the amendments of 1980, the SEOG Program targeted funds to students with exceptional need. I would suggest that the current bills retain the exceptional need criteria and define exceptional need according to the provisions prior to the amendments of 1980.

I, too, share the same concern as others on the allocation of the campus-based programs. The campus-based programs have been vital to Vermont. Last year almost 70 percent of our state grant recipients also received some form of campus-based aid. We support, for obvious reasons, the Senate bill and the effort of Congressman

Jeffords and his amendments which you, Mr. Chairman, have affectionately referred to as the "Vermont Amendments."

According to a 1983 simulation that was run by the Department of Education, Vermont would lose 33 percent of its campus-based funding if conditional guarantees and the state allotment formula were eliminated. In all, thirty-seven states, mostly small and rural, would lose funding if the institutional conditional guarantee and the state allotment formula are eliminated.

The impact today would be even greater due to the additional funds Vermont has received since 1983. Needless to say, the impact on Vermont's institutions and its needy students would be staggering.

If the intent of the House bill is to phase in a new distribution system of campus-based funds, it would appear more appropriate to use the most current levels of expenditures (1985) rather than go back to 1979.

Lastly, I again believe we must examine the balance between the self-help programs and grant assistance. As college costs have continued to rise without corresponding increases in grant assistance, students and families have had to rely on the self-help programs to meet a larger share of the student's educational costs.

In view of the dire need for additional grant assistance, at a time of growing fiscal constraint on the federal level, Congress must look at alternatives to increase grant assistance to students. I believe a viable alternative could be the states. The State Student Incentive Grant Program could be the vehicle for the federal government to increase grant assistance to students. Again, the program could be structured so that new federal dollars would be matched with additional state dollars. Incentives could be incorporated into the program to require states to expand their student aid programs.

Past federal programs that included state incentives have been successful in increasing state efforts. Many states are grappling with fiscal problems of their own and are seeking alternatives to maximize their educational dollars. An expanded SSIG Program would provide such an alternative.

There is one other issue that I would like to mention although it is not included in either reauthorization bill and that is verification.

I am deeply concerned that new verification requirements that are about to be issued by the Department of Education will severely impede the student aid delivery process. I believe all are concerned with the accuracy of information that a family provides and most institutions perform some level of verification. The new verification requirements, however, go well beyond the simple verification of information. Consider a first year student who has been accepted at four institutions and has been selected for verification. The student would be required to complete a verification form for each school plus a Pell verification form. That is nearly the equivalent of completing five different Financial Aid Forms/Family Financial Statements. Students are going to be bombarded with a multitude of different forms. I am fearful that many students, particularly disadvantaged students, will be overwhelmed by the verification process and simply give up their pursuit of an education.

Over the years, yourself, other members of Congress, the Department of Education, and institutions have attempted to simplify and streamline the financial aid process. It is ironic that the Department of Education is now doing a complete reversal and turning the clock back under the disguise of verification.

Again, reauthorization provides us with an opportunity to review and modify the Higher Education Act. Both the Senate and House bills appear to reflect evolutionary changes that are healthy and necessary taking into account the changing needs of our society.

I wish to thank you, Mr. Chairman, and your Subcommittee for this opportunity to present my views before you today. I also would like to commend you and your colleagues for seeking comments from such a diverse representation of groups and individuals who would be affected by changes in the student aid programs.

Mr. JEFFORDS. Thank you. A very excellent statement.

Dr. Patry, please proceed. Matthew is a student at Castleton State College, right near my hometown, a great place.

STATEMENT OF MATTHEW PATRY, STUDENT, CASTELTON STATE COLLEGE

Mr. PATRY. I would like to thank this subcommittee for having me here today. I feel very honored to be able to speak on behalf of students on the need of financial aid.

While enrolled at Castleton State College, I have received funds from the National Direct Student Loan, Supplemental Educational Opportunity Grant, Pell, and the Guaranteed Student Loan Programs.

For the last 3 years, I have worked on campus through the Work Study Program. Without the assistance I have received, I could not have attended college. I personally feel that one of the greatest things that can happen in a person's life is to be given a chance to do and become what he or she wants in life.

Because of this, I believe that financial aid is crucial to the residents of Vermont. I don't feel that my case is unique in that I have received assistance from all these programs.

If it had not been for the financial aid that I have received, I would not have had the opportunity to choose the type of education that best suited the career I was seeking. I would have ended up wasting any potential I felt I had.

Financial aid has not just played an important role in my life, but also in the life of my family. Financial aid has allowed my parents a chance of seeing me successfully attain the goals I had set.

Frankly, they would have rather helped me financially much more, but this was impossible. I feel that this is the plight of many families in Vermont. They know that their son or daughter has the potential to do great things with their life, but need financial help to accomplish this.

The education I have received has not only been in the classroom. I have learned much by being involved with student government and other organizations. If sufficient financial aid had not been available, I would not have been able to live on campus, and probably would not have had the opportunity to participate in any of these extracurricular activities.

This type of education has been extremely helpful in learning what the real world is all about. I think a person's education is more fulfilling when both types of learning are incorporated.

It seems like every other day, I find myself reading an article in the newspaper about Vermont having a high poverty level, and about Vermonters not being as competitive as we are capable of being.

This is something we would all like to see become news articles of the past. I feel that the best way we can accomplish this is by providing the financial aid that would make college education affordable.

If this happens, Vermonters will be able to achieve their goals successfully, and in return, improve the conditions existing in Vermont. To put restrictions on financial aid would only make this problem worse.

While I am very grateful for the financial assistance I have received, and as I have stated before, I could not have paid for college without it, the fact still remains that the cost of my education for 4 years has been $24,000.

I have had to work full time every summer, and will still be $11,000 in debt when I graduate.

There is no doubt in my mind about the need for a balanced budget and a decrease in the national debt. However, there is also

a need for America to have educated citizens. The time is coming when only the rich will be able to participate in higher education.

I believe the basic principle behind financial aid is to make higher education accessible to all. Our country is known around the world as a defender of equality. If we plan to keep this philosophy alive, then something has to be done soon.

I know that Congress is dealing with a very difficult task and cuts are going to have to be made, but I feel financial aid should be the last thing to be considered when making such critical decisions.

Maybe you should think about some alternatives such as looking into ways of easing the burden of repayment of educational loans. A suggestion might be to initiate a program that would enable students to begin paybacks while in school.

A program similar to the Work Study Program which we now have would pay students a higher wage with the stipulation that a percentage was going to be credited to their outstanding loans.

An example of this would be: I have a work study job where I make $3.35 an hour. Under this program, if I was to make $4.35 an hour, with $3.35 going to me for current expenses, and $1 being put into a repayment fund. The average student who works about 20 hours a week would be able to put away $620 a year, after 4 years, $2,480.

I am not trying to tell you that this is the solution to our problems. What I am trying to communicate to you is that we know that changes have to be made, and instead of looking at all the negative aspects, we should look at some of the positive alternatives.

We need to have educated citizens whether they are rich, middle income or poor.

Thank you.

[Prepared statement of Matthew Patry follows:]

PREPARED STATEMENT OF MATTHEW PATRY, STUDENT, CASTLETON STATE COLLEGE

While enrolled at Castleton State College, I have received funds from the National Direct Student Loan, Supplemental Education Opportunity Grant, Pell, and the Guaranteed Student Loan programs. For the last three years I have worked on campus through the work study program. Without the assistance I have received, I could not have attended college. I personally feel that one of the greatest things that can happen in a person's life is to be given the chance to do and become what he or she wants in life. Because of this, I believe that financial aid is crucial to the residents of Vermont. I don't feel that my case is unique in that I have received assistance from all these programs. If it had not been for the financial aid I have received, I would not have had the opportunity to choose the type of education that best suited the career I was seeking. I would have ended up wasting any potential I felt I had.

Financial Aid has not just played an important part in my life but also in the life of my family. Financial aid has allowed my parents the chance of seeing me successfully attain the goal I had set. Frankly they would have rather helped me financially much more but this was impossible. I feel that this is the plight of many families from Vermont. They know that their son or daughter has the potential to do great things with their life but need financial help to accomplish this.

The education I have received has not been only in the classroom. I have learned much by being involved with student government and other organizations. If sufficient financial aid had not been available, I would not have been able to live on campus and probably would not have had the opportunity to participate in any of these extra curricular activities. This type of education has been extremely helpful in learning what the real world is all about. I think a person's education is more fulfilling when both types of learning are incorporated.

It seems like every other day I find myself reading an article in the newspaper about Vermont having a high poverty level and about Vermonters not being as competitive as we are capable of being. This is something we would all like to see become news articles of the past. I feel that the best way we can accomplish this is by providing the financial aid that would make college education affordable. If this happens Vermonters will be able to achieve their goals successfully and in return improve the conditions existing in Vermont. To put restirctions on financial aid would only make this problem worse.

While I am very grateful for the financial assistance I have received, and as I have stated before, I could not have paid for college without it, the fact still remains that the cost of my education for four years has been $24,000. I have had to work full time every summer and will still be $11,000 in debt when I graduate.

There is no doubt in my mind about the need for a balanced budget and a decrease in the National Debt. However, there is also a need for America to have educated citizens. The time is coming when only the rich will be able to participate in higher education. I believe the basic principle behind financial aid is to make higher eudcation accessible to all. Our country is known around the world as a defender of equality. If we plan to keep this philosophy alive then something has to be done soon.

I know that Congress is dealing with a very difficult task and cuts are going to have to be made, but I feel financial aid should be the last thing to be considered when making such critical decisions. Maybe you should think about some alternatives such as looking into ways of easing the burden of repayment of educational loans. A suggestion might be to initiate a program that would enable students to begin paybacks while in school. A program similar to the work study program which we now have would pay student a higher wage with the stipulation that a percentage was going to be credited to their outstanding loans. An example of this would be: I have a work study job at which I am paid $3.35 an hour. Under the suggested program I would work for $4.35 an hour with $3.35 going to me for my current expenses and $1.00 being put into a repayment fund. The average student works about 20 hours a week and would be able to put away $620 per year and after 4 years $2,480.

I am not trying to tell you that this is the solution to our problems. What I am trying to communicate to you is that we know that changes have to be made and instead of looking at all the negative aspects we should look for some positive alternatives. We need to have educated citizens whether they are rich, middle income or poor.

Mr. JEFFORDS. Thank you very much. You have some excellent thoughts there. We appreciate it.

Margaret, please proceed.

STATEMENT OF MARGARET O'ROURKE, STUDENT, VERMONT LAW SCHOOL

Ms. O'ROURKE. Thank you.

Good afternoon. When I was asked to speak today regarding my personal——

Mr. JEFFORDS. Pardon me for interrupting. You are a student at Vermont Law School?

Ms. O'ROURKE. That is correct.

When I was asked to speak today regarding my personal experience with financial aid, I was hesitant in saying yes, not because I do not believe in the importance of these programs, but because of my own personal fear of public speaking.

However, I realize how vital this programs are, and a few moments of my personal discomfort are well worth it if I impress upon you how imperative it is that students like me are able to use these programs.

I do understand that our Nation is facing its worst deficit ever, and that Congress must make unpopular decisions this year to reduce this deficit. Having worked for a U.S. Senator, I do remem-

ber hearing from a number of organizations, asking that the Federal programs be spared from drastic cuts.

Now, I find myself in the position of not the one who is listening, but as the one who is asking. I am presently a first-year student at Vermont Law School. Tuition at VLS is $7,500. Add to that school fees, books, room and board, personal transportation expenses, and the cost rises to over $13,000.

I have been self-supporting for over 4 years, and am financing my education through the Guaranteed Student Loan Program, the National Direct Student Loan Program and am on the College Work Study.

Even with all of these resources and personal savings, the Financial Aid Office considers me a student with an unmet need.

Should the proposed budget cuts be enacted, my unmet need would increase substantially. My parents are not in a position to assist me in financing my education. The youngest in my family will be graduating from college in May, and my father will be retiring soon on a teacher's pension.

I am not unfamiliar with the workings of campus-based aid, since it was this type of aid which helped me attain my bachelor's degree at the University of Vermont. Being the third child in a family of six, in what was considered a middle-income home, I became very familiar with SEOG and College Work Study Programs.

I owe most of my education to these programs. Without them, I would not now be at graduate level studies.

The College Work Study Program was not only a financial resource, but also an excellent way for students to get a glimpse of the working world. The Work Study Program enabled me to purchase my books for the year and to pay some of my tuition. The number of the hours I worked depended not on my class load, but on the amount of money the Financial Aid Office received that year.

The SEOG program also played a role in my education. As I stated before, I came from a family of six children, and while I was at UVM, my parents always had at least two or three children in college.

I know it would have been very difficult if this aid had not been available. I am fortunate that they were never placed in the position of asking one child not to attend school so that another could.

I remember more than once in my undergraduate years, thinking how lucky I was that UVM was within walking distance of my home. Many students are not as fortunate as I was. They do not have a university or college in their hometown.

They must travel to where there is a university, and their expenses are even higher. Without SEOG, College Work Study and loans, their education would not be feasible.

In the last few years, there has been much discussion on whether students are misusing the financial aid system. There may be a small percentage of abuse, but no program is 100-percent fail-safe.

I do know, for most students, that this aid is not misused, but is needed desperately. Personally, I am still waiting to purchase my first stereo, and I bought my only car 2 years after I graduated, and well before I started law school.

With the budget problems, we have all been asked to make sacrifices. I do not think that there is anyone in this room not willing to do so. However, keep in mind that the key to a strong Nation is in its workforce; a workforce which should not be deterred or restricted from becoming well-educated because of financial obstacles.

Moreover, it does not make sense to obtain a balanced budget if it is at the expense and loss of our future.

Thank you.

[Prepared statement of Margaret O'Rourke follows:]

PREPARED STATEMENT OF MARGARET O'ROURKE, STUDENT, VERMONT LAW SCHOOL

When I was asked to speak today regarding my personal experience with financial aid, I was hesitant in saying yes, not because I did not believe in the importance of these programs, but because of my own personal fear of public speaking. However, I realize how vital these programs are, and a few moments of personal discomfort are well worth it if I can impress upon you how imperative it is that students like me are able to use these programs.

I do understand that our nation is facing its worst deficit ever and that Congress must make unpopular decisions this year to reduce this deficit. Having worked for a U.S. Senator, I remember hearing from a number of organizations asking that their programs be spared from drastic cuts. Now I find myself in the position of not the one who is listening but as the one who is asking.

I am presently a first-year student at Vermont Law School. Tuition at VLS is $7500. Add to that school fees, books, room and board, personal and transportation expenses and the cost rises to over $13,000. I have been self-supported for over four years and am financing my education through the Guaranteed Student Loan Program, the National Direct Student Loan and am on the college work-study program. Even with all of these resources and personal savings, the financial aid office considers me a student with an unment need.

Should the proposed budget cuts be enacted, my unmet need would increase substantially. My parents are not in a position to assist me in financing my education. The youngest in my family will be graduating from college in May and my father will be retiring soon on a teacher's pension.

I am not unfamiliar with the workings of on Campus-Based Aid since it was this type of aid which helped me attain my bachelor's degree at the University of Vermont. Being the third child in a family of six, in what was considered a middle-income home, I became very familiar with SEOG and college work-study programs. I owe most of my education to these programs. Without them I would not have been able to study at the graduate level.

The college work-study program was not only a financial resource but also an excellent way for students to get a glimpse of the working world. The work-study program enabled me to purchase my books for the year and to pay some of my tuition. The number of hours I worked depended not on my class load, but on the amount of money the financial aid office received that year.

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In the last few years, there has been much discussion on whether students are misusing the financial aid system. There may be a small percentage of abuse but no program is 100 percent fail-safe. I do know for most students that this aid is not misused but is needed desperately. Personally, I am still waiting to purchase my first stereo and I bought my only car two years after I graduated, and before I started law school.

With the budget problems, we have all been asked to make sacrifices. I do not think that there is anyone in this room not willing to do so. However, keep in mind that the key to a strong nation is in its work force. A work force which should not be deterred or restricted from becoming well-educated because of financial obstacles.

Moreover, it does not make sense to obtain a balanced budget, if it is at the expense and loss of our future.

Mr. JEFFORDS. Margaret, that is a very excellent statement; very well presented. I think you focused attention on an increasing problem which we haven't spent as much time on here as we perhaps would like and that is the barriers. The problems that are created for people trying to pursue a graduate education have some very serious problems in our system, which are even much more difficult under the present budget cuts.

Thank you all for excellent statements. I just have a few comments and one question.

First of all, with respect to Dr. Gilbertson, it has been one of my fondest memories having lectures and seminars at Johnson State College. I look back at those times and wish that I had an opportunity to do them now.

I would just like to clear up some misunderstandings on the work study. It is a totally discretionary program within the institution. It is an option for juniors and seniors so that they might have an opportunity to enhance their educational opportunities by being able to participate in businesses which were in the area while they were obtaining their training.

And of course, the highest match for that was no way meant to try and substitute for the value of the work study that can be done under the institution. I just wanted to make that clear.

I would also just have this question: There is a considerable amount of criticism that the SEOG money and campus-based money is not really being used for students in need; that was one of the reasons why the amendment of the original bill would have redistributed, rather broadly, the campus-based study money.

I was fortunately able to work out a compromise, although not get the kind of hold harmless situation we have. I would like some comments from you as to whether or not those criticisms are accurate; or whether or not, in your experience, the campus-based money, especially the SEOG money, is not used for students who are in greatest need?

Ms. BRINK. At St. Michael's, the majority of our aid is based on financial need. The higher a student's need, the more grant money they receive.

I don't think you would find many students in very high income brackets receiving SEOG unless they have five or six children in college, which will effect, even though they have the higher income, the parental contribution will be lower.

So, I don't see the abuse. I haven't seen it at the other two colleges I have worked for.

Mr. JEFFORDS. Thank you.

Mr. FRANZEIM. You know, certainly, we have seen no examples, you know, of the abuses where this money has not gone to the exceptionally needy. One of the things that we do through Vermont Student Assistance Corp. is we do get an opportunity to look at how institutions put together their financial aid packages.

And certainly, the SEOG money does go to very needy students.

Mr. JEFFORDS. Janice.

Sister RYAN. I addressed that in some detail in my written testimony, and I suggest, Congressman Jeffords, that your counsel may

benefit from our charts. I would go so far as to say that I know that Dartmouth had some influence in the New England area, and I think they are a bad example.

And I think relative to your own State, it is quite the contrary, and I think that GAO study didn't help, because I think it is limited rather than comprehensive. I think your question is a good one, and I urge a great spirit of compromise when we get to the committee in conference on it.

I think it is very serious. I do not believe that the end result will represent what this particular panel of Congressmen want, and I think that is the key. And I think you should be very aggressive in getting people to do their homework on it.

Mr. JEFFORDS. Thank you very much.

Mr. Chairman, I would be happy to turn the proceedings back to you, if you have any questions you would like to ask.

Mr. FORD [presiding]. Thank you very much.

Sister Janice and I had a discussion about your question last night. She wasn't at all happy with my reaction to it, but we had rather substantial evidence, obviously not given with a great deal of pleasure by people who didn't want to end your tenure about what has been happening with the grant money.

And there are a lot of people out there that were concerned enough to have us look at numbers, and there is some evidence, in answer to Jim's question, that the money ends up with students, but that they were shifting it in order to show that their institutional aid was going to low-income students.

They were using the institutional aid for low-income students, and using the SEOG's money for other students. And that is what led us to try to tie it down, and say look, if you are going to use the institutional aid, let's not create a false impression. I don't agree with the Secretary when he accuses the private colleges of having large, unspent pools of money from their endowments, because we know that is not true; 90 percent of all the endowment money in the whole country is in less than 11 percent of the institutions. And everybody looks at Harvard, and says, well look at all the money the colleges have, but there is only one Harvard endowment, there is one public endowment that now approaches Harvard, the University of Texas system. And they are both at the $2 billion level.

But when you drop below that, you get to a couple of them at the half-billion-dollar level, and then it drops very rapidly, and you find that the endowments that everybody thinks are out there aren't really there.

Private institutions are engaged in constant ongoing fundraising to provide the funds that they are using for student assistance, not basically out of endowment money. It has a stronger appeal if you are raising the money to help the education of the lower-income students who would choose your institution if they could afford to come to it.

And that results in a slight distortion, whether it was intended or not, of our ability to find out where the targeting really takes place. And obviously, it is an uneven sort of thing.

There is no way to check. There isn't even, under our requirements there, I don't know how they will write a regulation for it,

but as a practical matter, all it really does is suggest to the people making those decisions at the college level that we would like to see some evidence of the fact that you are targeting toward using that for the recruitment and retention of lower-income students.

As I mentioned to you last night, Sister Janice, you have the danger in some of the expensive private institutions, that is perceived by people in those institutions as a danger at least, of having a cluster of low-income students and a cluster of the affluent, the majority being the affluent, and nothing in between.

And it is the in-between that has changed the pattern in this country since World War II from the private colleges being inhabited almost entirely by the children of the more affluent families to a situation where virtually every private college has a substantial number of people who never could have aspired to that kind of education without it.

The Secretary dismissed all of you, if you recall, about a year ago in front of this committee, by simply saying you had a lot of money and you weren't spending it. You were ripping off the students by raising your costs and reducing the quality of your education, and that we ought to pull this money out, and indeed, the new budget that they just submitted zeroes out most of the campus-based grant money.

That is a very difficult way to take care of the problem that we see, because we don't see it as serious enough to warrant cutting off the arm when simply repairing the hangnail would do the job.

What we have done is really no more than repairing a hangnail. Always think of this. Nothing sharpens the mind quite so much as the imminence of the executioner's ax, and we are looking at somebody with an executioner's ax and trying to find a way to divert the blow, if we can.

So that even though this appears to be a toughening up and a tightening up, it is better than the alternatives, and it is not comfortable to tell people that it isn't a really good idea, but it is better than all the other bad ideas that we are trying to fight off.

I am not trying to be an apologist for what we have done, but I have just tried to apologize in a sense by explaining why we are pursuing it in that fashion.

And the arbitrary numbers don't mean that much. As a matter of fact, we got the number, frankly, because they beat me down on the first generation requirement. I found it amazing that I had so much difficulty, not at all in 1979 and 1980, getting the concept recognized of the special needs of the first generation student, having neither a father nor mother, who had attended college.

They start out behind the curve, because they don't have parents or siblings who can tell them that indeed, college is within their grasp, and that was the way I started with not the low-income, but to give a preference to recruiting, as we do in the TRIO programs, people who otherwise wouldn't find that they could, indeed, succeed in college.

And that got turned around, and the compromise was to buy me off with the low-income, and killed my first generation. I would be glad to go back to the first generation, if you would revisit that with me.

Mr. FORD. Mr. Penny.

Mr. PENNY. I have no questions.

Mr. FORD. Thank you very much. Oh, I am sorry, I thought Steve was——

Mr. GUNDERSON. Mr. Jeffords asked all the questions himself, he didn't call on us——

Mr. FORD. Just like in Washington.

Mr. GUNDERSON. I just want to ask one question. First of all, I compliment the panel on the very outstanding testimony, to all of you.

Along the lines, I guess, of what the chairman has done, as I listened to you discuss the campus-based programs, and there seems, to be a feeling by many of you, that you do not like the present, and you are certainly opposed to some of the increased matching requirements that were in our reauthorization bill. And if you think our bill is bad, look at the budget proposal.

I would encourage you however to caution the amount of rhetoric you use in opposition to some of these matching requirements, although I understand why you are doing so from a financial perspective.

But we in Congress, who have a similar commitment to higher education, also need to have credibility among our colleagues, and among the American public. And I think in that regard, it is very, very helpful to us to be able to say that there is, from someplace in the State or that particular institution, a matching requirement of some kind in these programs.

So, I just share that with you as part of the politics of trying to get reauthorization passed in a Gramm-Rudman era.

One question I would like to ask for brief responses, if you have any, would focus on the whole concept of merging campus-based programs.

We have had previous Presidential initiatives in that area. There are other Members in Congress, in the Senate, who have pushed in their reauthorization proposals, some kind of merger of the campus-based programs, allowing you that flexibility to divide, allocate, use, the money as you so desire.

The President's budget, again, calls for merging SEOG's, College Work Study, et cetera.

Is there any incentive to do that, or do you prefer that we maintain them as separate entities?

Mr. FRANZEIM. I think when we first heard the proposals, many of us were kind of skeptical in a sense. It looks the old block grants, an opportunity for the President to reduce that.

One of the things that we had in our original reauthorization proposals were some provisions that would allow some additional flexibility to transfer funds between the programs, much more so than maybe exists now.

I think some of the fears that some of us had was combined one block grant. You know, some of the uniquenesses of the different programs might be somewhat lost, maybe some of those constituents that those programs served might also be lost if that happened.

You know, we think, you know, if you allow some flexibility, the institution could use the money and say, gee, it might take away from the programs.

Sister RYAN. My response, Congressman, is I am generally for balance and no major shifts, balance for grants, for loans, for work, just a strong believer in that.

I am very empathetic, always been, to the politics to accomplish that. I am a great believer in serving constituents from whence those programs came historically, so I am just very, very cautious, under these conditions, all the ones that you have mentioned, to do anything very much in that direction.

Mr. GUNDERSON. Thank you very much.

Mr. FORD. Just as a parting thought, I wish you would look at the way the House bill deals with the supplemental education grants in the context of everything we did.

I think the case can be made that it is a very pro-private college shift that we have made. It is a mixed bag when you get to the public institutions, because public institutions that do use institutional, as distinguished from State aid, for their students will benefit from it; institutions that don't use their own resources and don't have fund-raising activities or endowments to help will not benefit from it.

Both the matching aspect is pro-private college, and the fact that under the present system in determining need, we look at 25 percent of your own money that you hold at a college, and discount your eligibility.

Under this system, we look only at the needs of the student population that you have, and we don't look at your bank account to see how much money you have got. That doesn't exist for the purpose of determining your campus' eligibility for funding.

So in those two ways, if you have a private institution that is making a real effort at providing student assistance, you benefit from this formula more than an institution that is not making an institutional effort to provide student aid.

And it is understandable that in the past, State institutions didn't have substantial programs of student aid, because they felt the taxpayers were already doing that in the basic underpinning of the operation of the university.

I was surprised to find the rather low percentage here, only 15 percent. It is much higher in your State of Minnesota. I think that the computation we had last year is it costs the State taxpayers $4,000 per student at the University of Minnesota.

Now, that is a pretty good bite. So that, in many of the States, there was not a need or incentive for them to develop on campus or within institutions student aid programs. They are moving into it very rapidly now.

But this becomes an incentive for an institution that has either been doing a passive job or none at all, to get out there and compete with you for the dollars and turn those into student aid.

And I wish you would take a look at it, and if on reflection, you still feel that it is threatening the private colleges, share that with me. I have to say that because I am a product of private universities.

There is no animosity in this committee toward private institutions. And this is the first time we have ever acknowledged publicly that the thrust of these two changes is proprivate, and I see that the lobbyist standing back there trying not to smile.

So, have another look at it, and if you still feel that the impact of this is going to be adverse, please let me know, because that means that we would miss something in analyzing the expected result.

Yes; Mr. Gilbertson.

Mr. GILBERTSON. I wonder, Mr. Chairman, if I might just comment briefly, it is almost irresistible to comment in response to the question you asked the earlier panel. We sort of lapsed back and forth between discussion of reauthorization and appropriations.

And you made a comment about the discrepancies between public opinion polls as to the public's view of certain administrative policies, versus the personal popularity of the President.

I just want to point that there are an awful lot of Federal policies like that, Federal policy issues where the public's view of the specific issue is at wide variance with the personal popularity of the President, not just in these areas.

There is a kind of a missing connection there the explanation of which escapes even the wisest political commentators. I think it has got more to do with the inherent complexity of the issues at the Federal levels than it does with really our misleading students as to what the true source of their financial aid funding is.

I would be disappointed to think that we were misleading them, although I do take seriously your charge that we might do a better job of informing them as to the true sources of those funds that they are receiving.

Mr. FORD. Well, I didn't want to suggest that I have any inclination to believe that anybody was misleading them, but I do know, because a number of university presidents shared with me the letters that they sent after the budget came out last year to their student bodies, explaining, (a) just because you read it in the paper doesn't mean it is going to happen; (b) you have to wait and see what Congress with it; and (c) it isn't going to affect you in this school year no matter what happens.

And then they said to me, "I hope you don't mind. This is not likely to produce a lot of letters from angry students to their Members of Congress to help you oppose the budget cuts." They are caught on the horns of that dilemma.

Do you panic your student body by saying the sky is falling, or do you try to reassure the student body, and then having reassured them, say, but on the other hand, you ought to be concerned about the future.

School administrators are understandably very cautious about suggesting that the future is going to be impinged on because the overwhelming majority of the constituency you are talking to are people who have their eyes focused not on the past, but on the future.

And they have very immediate concerns about what that future holds for them. And telling them that Daddy has lost his job and isn't going to be able to help anymore doesn't help them with their school plans, and that Uncle Sam is going to pull the rug out from them doesn't help them.

So, it is not an easy time to try to deal with that at the college level. We are cognizant of that. The form that I was mentioning a little while ago was a way to avoid having to say anything, but just let the constituency know that they have a stake in this.

I don't know if that will make a lot of difference, but it will make the members of the Appropriations Committee happy, and the name of this game is to keep them as happy as we can.

With that, Jim, I will turn it over to you.

Mr. JEFFORDS [presiding]. We will now break for lunch until 2, and hope to get started exactly at 2, if we can do that.

[Whereupon, at 1 p.m., the subcommittee recessed, to reconvene at 2 p.m., the same day.]

Mr. JEFFORDS. I will call the hearing to order.

We are going to gather slowly with Mr. Penny and I, so you'll have a Democrat and a Republican so you can be assured that both sides of the aisle will be hearing your testimony. I want to make sure that we don't run out of time. I hope we can get all the panels on before the members of the panel have to catch their airplane. I will be staying here until such time as it is appropriate for me to leave, which could be anytime from now till midnight.

Our first witness this afternoon is Ron Iverson, executive director of the Vermont Student Assistance Corp. Ron, it is a pleasure to have you here before the committee. It is not the first time that you have been before this committee, by any means. I want to say that I personally appreciate the efforts that you have made here in Vermont and for testifying before this committee. It is really an outstanding job and a good operation. Please proceed.

STATEMENT OF RONALD J. IVERSON, EXECUTIVE DIRECTOR, VERMONT STUDENT ASSISTANCE CORP.

Mr. IVERSON. Thank you very much, Jim.

It is always a pleasure to appear before your committee. I think it is more pleasing that we have a situation with two outstanding gentlemen such as yourself and Congressman Ford coming back, who are some of the strongest advocates of higher education in the State.

On behalf of all the students in Vermont, I am happy to be here. For those members, Mr. Penny and others, who wonder why Jim Jeffords is so tenacious regarding the maintenance of student financial aid programs, let me briefly mention that postsecondary education is the third largest employer in Vermont, serving more than 30,000 students. Federal student aid is of paramount importance in maintaining educational access and our high quality of education. In addition to the Federal effort, Vermont maintains one of the largest grant programs in the country on a per capita or a per student basis. Vermont also provides loan cancellation for study in certain areas. It makes substantial financial contributions to the adminstration and support of the Guaranteed Student Loan Program and, in addition, supports a large outreach counseling and financial aid coordination effort to ensure all Vermonters have an opportunity to attend an institution of their choice.

The Guaranteed Student Loan Program has been in existence in Vermont since 1965, during which time we have guaranteed close to 100,000 loans to Vermont students in an amount approaching $200 million. For a small State of 500,000 people, this is a staggering figure, and the importance cannot be overemphasized. Without

the federally and State supported program, thousands of Vermonters would be denied a postsecondary education.

At this point I would like to commend the chairman, Congressman Jeffords, and members of the committee for the fine work accomplished during the reauthorization process and House passage of H.R. 3700.

It would be remiss on our part today if we did not mention that the President's proposed budget in the Gramm-Rudman would be disastrous for students and their future. Needless to say what effects it would have on this country. The changes being proposed are far more than budget cuts and represent policy changes that shift the responsibility of postsecondary education back to the States without any proof that the States can bear this burden. In fact, the President puts in place barriers for State funding by prohibiting States from using any of their authorized tax exempt financing allocations for educational loans.

We applaud the steps taken in H.R. 3700 to limit the Education Department's overzealous regulations of secondary markets but prefer the Senate version, which totally eliminates such regulations of secondary markets.

GSL loan limits have been a major factor of discussion in Vermont. Needy students must be able to borrow enough to insure access and choice. By way of illustration, since 1972 the maximum undergraduate student loan has remained at $2,500, which in today's dollars is only $991 worth of educational purchasing power. During the same period, student charges at the University of Vermont increased by $4,100, while charges at Middlebury College increased by some $9,500. The Vermont Higher Education Council proposed a minimum undergraduate limit of $4,000 to help bridge this gap, and we support it 100 percent.

We are extremely proud that we have 100 percent lender participation in our student loan program in Vermont and that 98 percent of our students are meeting their repayment obligations. We, lenders, and schools provide extensive service in default prevention, debt counseling, and in the coordination of financial aid information. Such efforts have provided students with full access to Guaranteed Student Loans as well as grants, scholarships and work opportunities.

However, now that full access has been accomplished in the GSL program, we are finding ourselves in the unfortunate situation where a number of national lenders and guarantors are no longer content with providing student access to credit, but are exploiting the program in order to maximize profits by expanding into States where no access problem exists. The unscrupulous massive mail solicitation efforts on the part of national guarantors and lenders has caused substantial confusion among students and parents and has resulted in students not receiving appropriate financial aid packages or informational services that normally would be provided through a coordinated State effort.

We recommend that Congress should take steps to limit the scope of national guarantors to areas with documented access problems and prohibit the use of interstate mail solicitation, advertising and sales gimmicks which encourage students to borrow, borrow, borrow.

Vermont shares the burden of administering the Guaranteed Student Loan Program by appropriating funds every year to maintain program services and legislatively mandated reserve funds of 1.6 percent. However, without ACA funds we have seen our ability to provide services and our ability to maintain low default rates come into jeopardy. Consequently, we applaud the efforts of the House and Senate to reinstate these funds and certainly appreciate the sensitivity of Congress to the need for these funds.

Both the House and Senate bills change the insurance premium by changing the method of calculation. Quite frankly, we see no particular need for change and propose to retain the same formula as in current law. We agree the Federal should recoup advances from solvent and mature agencies, and I would like to express our appreciation particularly to Congressman Jeffords for supporting language in the bill which takes into account statutory requirements for the purposes of determining agency solvency. Without this provision, Vermont would have had to close down its loan program without additional massive revenues.

In closing, let me say that we are all proud of Jim Jeffords' work on your committee, Mr. Chairman. We hope he is not too big a thorn in anyone's side when it comes to negotiating for Vermont, but remember, he is a true believer in education for Vermonters. We all appreciate the committee's work and will continue to support your efforts and hope this bill will be passed into law. Thank you.

[Prepared statement of Ronald Iverson follows:]

PREPARED STATEMENT OF RONALD J. IVERSON, EXECUTIVE DIRECTOR, VERMONT STUDENT ASSISTANCE CORP.

Mr. Chairman and members of the Subcommittee. I am Ron Iverson, Executive Director of the Vermont Student Assistance Corporation; I wish to thank you on behalf of all our students for the opportunity to apppear before you today to discuss the House and Senate Reauthorization Bills, particularly as they relate to the Guaranteed Student Loan Program. In my testimony I will touch on broad policy areas as more specific issues will be presented by members of our panel.

For the members of Congress who wonder why Jim Jeffords is so tenacious regarding the maintenance of the students financial aid programs, let me briefly mention that postsecondary eduaction is the third largest employer in Vermont, serving more than 30,000 students. Federal student aid is of paramount importance in maintaining educational access and our high quality of education. In addition to the federal effort, Vermont maintains one of the largest grant programs in the country on a per capita or per student basis. Vermont provides loan cancellation for study in certain areas; it makes substantial financial contributions to the administration and support of the Guaranteed Student Loan Program and, in addition, supports a large Outreach counseling and financial aid coordination effort to ensure all Vermonters have an opportunity to attend an institution of their choice.

The Guaranteed Student Loan Program has been in existence in Vermont since 1965, during which time we have guaranteed close to 100,000 loans to Vermont students in an amount approaching $200 million. For a small state of 500,000 people this is a staggering figure and the importance cannot be overemphasized. Without this federally and state supported program, thousands of Vermonters would be denied a postsecondary education.

At this point I would like to commend you, Mr. Chairman, Congressman Jeffords and members of the Committee for the fine work accomplished during the Reauthorization process and House passage of H.R. 3700. In comparing H.R. 3700 and the Senate draft proposal, there are several areas where either one bill or the other might be significantly changed to better meet the changing environment of student aid. Mr. Chairman, I would request the opportunity to submit additional written testimony regarding these specifics.

It would be remiss on our part today if we did not mention that the President's proposed budget for student financial aid would be disastrous for our country and its future. The changes being proposed by the President are far more than budget cuts and represent policy changes that shift the responsibility of postsecondary education back to the states, without any proof that the states can bear this burden. In fact, the President puts in place barriers for state funding by prohibiting states from using any of their authorized tax-exempt financing allocations for educational loans. We applaud the steps taken in H.R. 3700 to limit the education departments overzealous regulations of secondary markets but prefer the Senate version which totally eliminates such regulations of secondary markets.

GSL loan limits have been major factor of discussion in Vermont. Needy students must be able to borrow enough to assure access and choice. By way of illustration: Since 1972 the maximum undergraduate student loan has remained at $2,500, which in today's dollars is only $991 worth of educational purchasing power. During the same period, student charges at the University of Vermont increased by $4,100, and charges at Middlebury Colleges have increased by $9,500. The Vermont Higher Education Council proposed a minimum undergraduate limit of $4,000 to help bridge this gap, and we support it 100 percent.

Turning to my next point, let me congratulate the committee regarding its effort to substantially reduce costs in the program. We are extremely proud that we have 100 percent lender participation in Vermont, and that 98 percent of our students are meeting their repayment obligations. We, lenders, and schools provide extensive services in default prevention, debt counseling, and in the coordination of financial aid information. Such efforts have provided students with full access to Guaranteed Student Loans as well as grants, scholarships and work opportunities.

However, now that full accesss has been accomplished in the GSL program, we are finding ourselves in the unfortunate situation where a number of national lenders and guarantors are no longer content with providing student access to credit, but are exploiting the program in order to maximize profits by expanding into states where no access problems exist. The unscrupulous massive mail solicitation efforts on the part of national guarantors and lenders has caused substantial confusion among students and parents and has resulted in students not receiving appropriate financial aid packages or informational services that normally would be provided through a coordinated state effort. Congress should take steps to limit the scope of national guarantors to areas with documented access problems and prohibit the use of interstate mail solicitation, advertising and sales gimmicks which encourage borrowing. Being a public agency, we are concerned with profitability.

Vermont shares the burden of administering the Guaranteed Student Loan Program by appropriating funds every year to maintain program services and legislatively mandated reserve funds (1.6 percent). However, without ACA funds we have seen our ability to provide services and our ability to maintain low default rates come into jeopardy. Consequently, we applaud the efforts of the House and Senate to reinstate these funds, and appreciate the sensitivity of Congess to the need for these funds. Both the House and Senate Bills change the insurance premium by changing the method of calculation. Quite frankly we see no particular need for change and propose to retain the same formula as in the current law. We agree that the federal government should recoup advances from solvent and mature agencies, and I would like to express our appreciation to Congressman Jeffords for sponsoring language in the Bill which takes into account state statutory requirements for the purposes of determining agency solvency.

In closing, let me say that we are all proud of Jim Jeffords' work on your Committee, Mr. Chairman. We hope he is not too big a thorn in anyone's side when it comes to negotiating for Vermont, but remember, he is a true believer in education for Vermonters. We all appreciate the committee's work and will continue to support your efforts.

Mr. JEFFORDS. Thank you, and I will make sure Bill Ford gets to read your testimony in this hearing record.

Britta.

STATEMENT OF BRITTA J. ANDERSON, DIRECTOR, FEDERAL AFFAIRS, RESEARCH & PLANNING, VERMONT STUDENT ASSISTANCE CORP.

Ms. ANDERSON. Congressman Jeffords and Congressman Penny, I am Britta Anderson, director of Federal affairs at the Vermont

Student Assistance Corp. It is a pleasure to appear before you today to testify on specific programmatic issues in the Guaranteed Student Loan Program as they relate to the House and Senate reauthorization bills.

Before I touch on these issues, let me also express my appreciation for the achievements in H.R. 3700. Many of the changes will have a very positive impact on the Guaranteed Student Loan Program, and I do hope that Congress will be able to see this reauthorization through with all of the positive changes intact. Based on our preliminary analysis of the President's budget, that task now assumes gigantic proportions. However, in the interest of preserving access to postsecondary education and maintaining an educated citizenry, it becomes of crucial importance that the reauthorization process is accomplished.

Let me turn now to specific issues in the reauthorization bills.

First, let me commend the House on providing a revamped Supplemental Loan Program for all students and parents. While this program should never supplant a subsidized GSL, it is an important step in the direction of providing credit access to all borrowers. I would hope that the final bill would include language which would make the accrual and capitalization option mandatory for the lender.

In addition, I would like to extend our appreciation to Congressman Jeffords for spearheading a move to reinstate loan consolidation provisions which will make the repayment obligations much more manageable for borrowers with high loan debts. Hopefully, the Senate will emulate the House approach and make this important debt management tool available to students. One item that may need change in the House bill relates to the interest rates which need to be reconfigured to dovetail with the 8 to 10 percent requirements in effect if a student does not consolidate. Unless this small change is effected, a student using consolidation would have a better interest rate, 9 percent, for a period of time than a student in regular repayment.

Another area of some concern relates to the requirement for Pell grant eligibility determination prior to a GSL disbursement. The intent of this requirement is laudable. We must indeed ensure that students receive all the grant funds to which they are entitled. However, for middle-income families the requirement is an extra burden. Few families with incomes over $35,000 are entitled to Pell grants. So why put them through the application process? We hope that this issue can be dealt with in the conference committee.

The provision to allow deferments for half-time students is excellent. This will indeed increase educational opportunities for many students who are not able to attend college full time, particularly older students with dependents.

While Vermont wholeheartedly supports the removal of the origination fee and applauds the chairman of this committee for his efforts to achieve this goal, we feel that the final House compromise makes these loan points more manageable from the student's perspective. In view of the fiscal realities, this solution may indeed be the best we can hope for.

A full needs test for guaranteed student loans has been on the agenda for quite some time, and both the House and Senate bills

contain provisions which would mandate such an approach. Both sides have been sensitive to the plight of independent students with dependents, a step in the right direction. However, we still feel that access to credit is of paramount importance in assuring educational access and fear that other categories of independent and dependent students may be denied access to credit unless the GSL needs test criteria are liberal enough to ensure that families with cash-flow problems or single independent students are not treated with undue severity. Thus, we propose some relaxation of the requirements along the lines of the Pell grant provisions in the House single needs test.

Mandating lenders of last resort on the State level is a very positive step to ensure loan access to eligible students, and we fully endorse this concept and would even extend it to the PLUS Program.

However, this move to ensure loan availability for all borrowers may be of financial detriment to States such as Vermont who would invest in setting up such programs if an effort recently initiated by a Washington, DC, school becomes a national trend. Just last week it came to our attention that Georgetown University is restricting GSL's for incoming freshmen to certain national and D.C. lenders with an exclusive guarantee from the Higher Education Assistance Foundation. Not only do the students have to pay the College Scholarship Service a fee for preprocessing a GSL, but they also prohibited from using their State agency and hometown lender for the loan.

In a Vermont student's case such a prohibition would exclude a future teacher from participation in our Loan Cancellation Program. And to compound the difficulty for the students, if they choose to attend a school other than Georgetown, the entire application process would have to be repeated. Thus, both students and their home-State agencies and lenders will suffer from this unprecedented restriction.

I do hope that Congress will take steps to ensure that such a move toward requiring fees for GSL processing and having schools dictate where a student can get a loan will not be within the scope of the law.

In conclusion, let me express my appreciation for this opportunity to appear before you. I would be happy to answer your questions.

[Prepared statement of Britta Anderson follows:]

PREPARED STATEMENT OF BRITTA J. ANDERSON, DIRECTOR, FEDERAL AFFAIRS, RESEARCH & PLANNING, VERMONT STUDENT ASSISTANCE CORP.

Mr. Chairman and Members of the Subcommittee, I am Britta Anderson, Director of Federal Affairs, Research and Planning at Vermont Student Assistance Corporation. It is a pleasure indeed to appear before you to testify on specific programmatic issues in the Guaranteed Student Loan Program as they relate to the House and Senate reauthorization Bills.

Before I touch on these issues, let me also express my appreciation for the achievements in H.R. 3700. Many of the changes will have a very positive impact on GSL and I hope that Congress will be able to see this Reauthorization through with all of the positive changes intact. Based on our preliminary analysis of the President's budget, that task now assumes gigantic proportions! However, in the interest of preserving access to postsecondary education and maintaining an educated citizenry, it becomes of crucial importance that the Reauthorization process is accomplished.

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A full needs test for Guaranteed Student Loans has been on the agenda for quite some time and both the House and Senate Bills contain provisions which would mandate such an approach. Both sides have been sensitive to the plight of independent students with dependents—a step in the right direction. However, we still feel that access to credit is of paramount importance in assuring educational access and fear that other categories of independent and dependent students may be denied access to credit unless the GSL needs test criteria are liberal enough to ensure that families with cash-flow problems or single independent students are not treated with undue severity. Thus, we propose some relaxation of the requirements along the lines of the Pell Grant provisions in the House Single Needs Test.

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However, this move to ensure loan availability for all borrowers may be of financial detriment to states who invest in setting up such programs if an effort recently intiated by a Washington, D.C. school becomes a national trend. Just last week it came to our attention that Georgetown University is restricting GSL's for incoming freshmen to certian national and D.C. lenders with an exclusive guarantee from the Higher Education Assistance Foundation (HEAF). Not only do the students have to pay the College Scholarship Service a fee for preprocessing a GSL but they are apparently also prohibited from using their state agency and hometown lender for the loan. In a Vermont student's case such a prohibition will exclude a future teacher from participation in our loan cancellation program * * * and to compound the difficulty for the students—if they choose to attend a school other than Georgetown the entire application process will have to be repeated. Thus both students and their home-state agencies and lenders will suffer from this unprecedented restriction. I hope that Congress will take steps to ensure that such a move towards requiring fees for GSL processing and having schools dictate where a student can get a loan will not be within the scope of the law.

In conclusion, allow me to thank you for this opportunity to express my views. I'd be happy to answer any questions you may have.

Mr. JEFFORDS. Thank you very much, Britta. I appreciate your testimony here. You have done an excellent job in Washington in articulating the views of Vermont. It is good to have you here in Vermont to listen to you, also.

David.

STATEMENT OF DAVID P. COSEO, DIRECTOR OF FINANCIAL AID, UNIVERSITY OF VERMONT

Mr. COSEO. Thank you.

Congressman Jeffords, Congressman Penny, Congressman Gunderson, I am David Coseo, director of financial aid at the University of Vermont. I am extremely pleased to have the opportunity to testify before you regarding reauthorization of the Higher Education Act or, more specifically, the guaranteed student loan section of that act.

At the outset may I take a moment to commend each of you for your continuing efforts in shaping and maintaining a strong range of programs for student financial assistance in postsecondary education, as evidenced by H.R. 3700. As fine as these efforts have been in providing needy students access to higher education, they will fall far short if the administration's fiscal year 1987 budget proposal is passed intact or mandatory reductions of funds take place as a result of the Balanced Budget and Emergency Deficit Control Act of 1985.

As an indication of the severity of the situation, the administration's fiscal year 1987 budget proposals for the Pell Grant Program would eliminate more than 800,000 students by reducing budget authority to approximately $3 billion.

It is estimated that the $4.3 million in Federal financial assistance received by the University of Vermont in Pell and campus-based aid for the 1985–86 academic year would be reduced by $2.1 to $2.2 million under the administration's proposed fiscal year 1987 budget. This 49-percent reduction in Federal financial aid resources has the potential to affect over one-half of our total aid population and could result in complete elimination of Federal aid for some to significant reductions for others.

Although the focus of this part of the hearing today is the Guaranteed Student Loan Program, it would seem important to bring forth a message of grave concern, that a major portion of this Nation's most precious resource, its youth, could be in danger of being denied a right to access to higher education because of a lack of financial resources. I believe we must, both collectively and individually, find other means of addressing our Nation's problem of deficit reduction other than through a system of higher education which could be based solely on an ability to pay.

Returning to the Guaranteed Student Loan Program, this program represents the most significant financial aid resource available to students attending the University of Vermont. During the past academic year we had 9,282 full-time undergraduate, graduate, and professional students enrolled at the university, and 5,000 students requested guaranteed student loans totaling $13,474,000. Guaranteed student loans represent approximately 60 percent of all available financial aid resources at the university.

H.R. 3700, in recognition of the fact that, while the costs of education were increasing sharply over the past few years, the maximum amount a student could borrow remained the same, contains provisions for increasing loan limits for third and fourth year un-

dergraduates from $2,500 to $5,000. This increase is applauded; however, it is noted that the first and second year undergraduate levels remain at $2,500. It is suggested that, if the opportunity should present itself, that these levels also be raised. In the years that the maximum loan level has been held at $2,500, tuition and fees at the University of Vermont have increased 200 percent. This is not considered extraordinary as colleges and universities throughout the Nation have had their expenses increase through inflation and have had to adjust their costs to meet that inflationary impact on expenses. Students in all undergraduate years must bear the same expense load and therefore should have the same loan eligibility levels regardless of undergraduate year.

With increased loan burdens growing as a consequence of increased costs of education, there is a need to assure that young men and women are able to build sound and secure lives for themselves by providing to them mechanisms for loan consolidation and for the extension of loan repayment periods. H.R. 3700 meets this challenge with the loan consolidation provisions, and I wish to express to you my full support for your efforts in this regard.

It is noted in the general provisions section of H.R. 3700 that an eligible student must be enrolled in a degree, certificate, or other program leading to a recognized educational credential. Currently this requirement exists in regulations for all title V programs except the Guaranteed Student Loan Program.

At the University of Vermont there are currently over 100 students participating in classes through our division of continuing education that are receiving assistance from the Guaranteed Student Loan Program. For the most part, these students are taking course work necessary to build a foundation for subsequent admission to a degree program. There is some concern that the provisions currently in H.R. 3700 requiring enrollment in a degree, certificate, or other program leading to a recognized educational credential may exclude these students from obtaining needed assistance in their pursuit to achieve admission and degree status.

I commend and fully support the provisions adopted by the committee for the multiple disbursement of loans with special allowance paid only on the disbursed amounts. The disbursement of loans to students by check payable to students and requiring the student's signature is also supported. However, I suggest that in those instances where it is possible, that the disbursement of loan checks be made payable to both the institution and the student to ensure proper crediting to the student account.

In conclusion, I firmly believe that the administration and the Congress must have reason for concern about the magnitude of the Federal deficits and the Federal budget.

I believe that Government must address these problems but in a way that recognizes that education is not an expense but an investment. The colleges and universities of America build the future of this Nation, and the student financial assistance programs that you have so carefully melded into H.R. 3700 are our investment in the future.

Thank you.

[Prepared statement of David Coseo follows:]

PREPARED STATEMENT OF DAVID P. COSEO, DIRECTOR OF FINANCIAL AID, UNIVERSITY OF VERMONT

Chairman Ford, Congressman Jeffords and Congressman Penny, I am David Coseo, Director of Financial Aid at the University of Vermont. I am extremely pleased to have the opportunity to testify before you regarding the Reauthorization of the Higher Education Act or more specifically the Guaranteed Student Loan section of that act.

At the outset, may I take a moment to commend each of you for your continuing efforts in shaping and maintaining a strong range of programs for student financial assistance in postsecondary education as evidenced by HR 3700. As fine as these efforts have been in providing needy students access to higher education, they will fall far short if the administration's Fiscal 1987 budget proposal is passed intact or mandatory sequestration of funds takes place as a result of the Balanced Budget and Emergency Deficit Control Act of 1985 (the Gramm-Rudman-Hollings law).

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Returning to the Guaranteed Student Loan Program—this program represents the most significant financial aid resource available to students attending the University of Vermont. During the past academic year we had 9,282 full time undergraduate, graduate and professional students enrolled at the university and 5,037 students requested Guaranteed Student Loans totalling $13,474,351. Guaranteed Student Loans represent approximately 60 percent of all available financial aid resources at the university.

HR 3700, in recognition of the fact that while the costs of education were increasing sharply over the past few years, the maximum amount a student could borrow remained the same, contains provisions for increasing loan limits for third and fourth year undergraduates from $2500 to $5000. This increase is applauded; however, it is noted that the first and second year undergraduate levels remain at $2500. It is suggested that if the opportunity should present itself that these levels also be raised. In the years that the maximum loan level has been held at $2500, tuition and fees at the University of Vermont have increased 200 percent. That is not considered extraordinary as colleges and universities throughout the nation have had their expenses increase through inflation and have had to adjust their costs to meet that inflationary impact on expenses. Students in all undergraduate years must bear the same expense load and, therefore, should have the same loan eligibility level regardless of undergraduate year.

With increased loan burdens growing as a consequence of increased costs of education, there is a need to assure that young men and women are able to build sound and secure lives for themselves by providing to them mechanisms for loan consolidation and for the extension of loan repayment periods. HR 3700 meets this challenge with the loan consolidation provisions, and I wish to express to you my full support for your efforts in this regard.

It is noted in the General Provisions section of HR 3700 that an eligible student must be enrolled in a degree, certificate or other program leading to a recognized educational credential. Currently this requirement exists in regulations for all Title IV programs except the Guaranteed Student Loan Program.

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nized educational credential may exclude these students from obtaining needed assistance in their pursuit to achieve admission and degree status.

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In conclusion I firmly believe that the administration and the Congress have much reason for concern about the magnitude of federal deficits and the federal budget.

I believe the government must address these problems but in a way that recognizes that education is not an expense but an investment. The colleges and universities of America build the future of this nation and the student financial assistance programs that you have so carefully melded into HR 3700 are our investment in that future.

Mr. JEFFORDS. Thank you for a very excellent statement, David. Dr. Clarke.

STATEMENT OF ROBERT G. CLARKE, PRESIDENT, VERMONT TECHNICAL COLLEGE

Dr. CLARKE. Thank you.

Congressman Jeffords, Congressman Penny, Congressman Gunderson, and my colleagues interested in higher education, my name is Robert G. Clarke, president of Vermont Technical College.

I listened with great interest to the dairy support we have on this committee this morning, as the president of a college that has a working dairy herd of 150 registered Holsteins. Maybe the dairy title wasn't all facetious.

It is also interesting to note that, as far as the agricultural and the education component, as Congressman Gunderson noted, that it is very expensive technology in agriculture today. We are celebrating the 75th anniversary of the Vermont School of Agriculture, VTC's predecessor institution. Our farm modernization project for our small farm is $383,000. So, it's no wonder there is such a debt in the political farm community.

I would like to confine my testimony today to five main points: my overall opinion in support of H.R. 3700's GSL provisions, loan limits, the need for GSL, data on Vermont Technical College's GSL participation, and the value of public education.

First, I would like to say that I am very pleased and gratified that H.R. 3700 addresses many of Vermont's concerns about the Guaranteed Student Loan Program. Specific provisions such as lender of last resort, treatment of independent student consolidation, graduated repayments, interest rates, supplemental loan limits for students and parents, and in-school deferment for half-time status are key elements of H.R. 3700 that meet the needs of eligible students. Chairman Ford, you and your committee are to be commended for the foresight and obvious hard work that was put into this section.

It is, however, a major task, as my colleagues have noted, to ensure that the final Higher Education Act reauthorization is funded to the specified levels. As has been noted several times this morning and this afternoon, unimpeded decimation of the GSL program by both Gramm-Rudman-Hollings Act and President Rea-

gan's fiscal year 1987 budget proposal would undermine the entire higher education system of our great country.

I recommend that every effort be made to ensure full funding of Higher Education Act reauthorization once it is finally passed, which is, hopefully, this year.

Next I would like to address loan limits from the perception of a 2-year college.

I propose that the loan limit section be altered so as not to penalize the Nation's 1,221 2-year colleges. These colleges enroll nearly 40 percent of all postsecondary students, the largest single component of the U.S. higher education system.

We should not be penalized by having loan limits of less than that of juniors and seniors. The current $2,500 limit, in place since 1972, is many times inadequate. While H.R. 3700 partially addresses this fact for 4-year colleges, it does not address the needs of 2-year colleges.

I recommend that the loan limits be the same for freshmen and sophomores as has been proposed for juniors and seniors.

Third, I would like to address the need for Guaranteed Student Loans.

Access to the world's most comprehensive system of higher education has been a fundamental belief of our country. Higher education should never be an avenue only for the wealthy if we are to continue to grow and prosper in harmony. In Vermont we have a basic philosophy of high public tuition so that those who can afford to pay the full cost do just that. Furthermore, we believe in a strong program of student assistance for the needy so that a college education is obtainable to everyone, not just the prosperous.

Guaranteed Student Loans are a critical underpinning of providing access to higher education for the needy. GSL's also allow the premise that you eventually pay for what you get and thus help to reaffirm our society's attitudes of helping others to help themselves.

I would like to next address the data on Guaranteed Student Loans at Vermont Technical College.

Vermont Technical College is a small 2-year public college that serves some of the Nation's major high-tech employers. Almost 400 of our graduates are employed by IBM.

With 100 percent placement this past year and average starting salaries of almost $16,000 per year, the investment made in our students is repaid in a very short time through their contributions to the economy. Our 1985 graduates alone will earn almost $3 million this year.

Three hundred forty-two students at VTC this year had an average Guaranteed Student Loan of $2,202. This is approximately 53 percent of all full-time students at the college. Isn't this a minimal investment to pay for insuring a quality workforce?

While we do not have default rates for GSL's, for students at our institution we do compile this data on NDSL's. Our current default rate is a little over 2 percent, reaffirming the basic idea behind loans, that we are helping people succeed and that they will then repay their debt.

Finally, I would like to talk about the value of public education. Our Nation has long realized the critical role that higher education

plays in our economic and technological success. Our complex system of higher education is the envy of the world. We develop today's minds so that they are able to solve tomorrow's problems.

Industry also realizes the important role of education. I have just returned from IBM where at lunch I was presented $62,500 worth of computer aided drafting and design equipment. This is in addition to the $160,000 worth of equipment and funding that they donated to us for the same purpose 2 years ago. This is not IBM's first contribution to VTC, and I am sure it will not be their last; at least I hope not.

IBM has spent last year alone $4 billion on education and training for their employees. VTC is the recipient of a portion of that funding because of the in-house educational programs that we are providing for the company.

Industry is only going to survive through the quality of the public education system today.

Public higher education has the image of making a college degree attainable by all those who desire it. Upward mobility has been only obtainable because of the desire of people to succeed and a national commitment to higher education.

We must continue to support these beliefs, as our Nation's economy depends upon it.

In conclusion, I would like to say that the Guaranteed Student Loan Program is very important to Vermont and the Nation. H.R. 3700 is a very positive first step in addressing these needs, and I applaud the committee for their efforts. We need to work together to perform the slight modifications and to insure funding.

Thank you for allowing me to present my views to the committee.

[Prepared statement of Robert G. Clarke follows:]

PREPARED STATEMENT OF DR. ROBERT G. CLARKE, PRESIDENT, VERMONT TECHNICAL COLLEGE

Chairman Ford, Congressman Jeffords, Congressman Penny, Congressman Gunderson and my colleagues concerned with the state of higher education in Vermont and the nation, my name is Robert G. Clarke, President of Vermont Technical College.

I would like to confine my testimony to five points—my overall opinion and support of HR 3700's GSL provisions, loan limits, the need for GSL, data on VTC students' GSL participation and the value of public education.

OVERALL OPINION OF HR 3700

I am very pleased and gratified that HR 3700 addresses many of Vermont's concerns about the Guaranteed Student Loan Program. Specific provisions such as lender of last resort, treatment of independent student consolidation, graduated repayments, interest rates, supplemental loan limits for students and parents, and in-school deferment for half-time status are key elements of HR 3700 that meet the needs of eligible students. Chairman Ford, you and your committee are to be commended for the foresight and obvious hard work that was put into this section.

It is, however, a major task to assure that the final HEA reauthorization is funded to the specified levels. As has been noted, unimpeded decimation of the GSL program by both Gramm-Rudman-Hollings Act and President Reagan's fiscal year 1987 budget proposal would undermine the entire higher education system of our great country.

I recommend that every effort be made to ensure full funding of the Higher Education Act Reauthorization.

LOAN LIMITS

I propose that the loan limit section be altered so as not to penalize the nations 1221 two-year colleges. These colleges enroll nearly 40 percent of all post-secondary students, the largest single component of the U.S. higher education community.

We should not be penalized by having loan limits of less than that of Juniors and Seniors. The current $2500 limit, in place since 1972, is many times inadequate. While HR3700 partially addresses this fact for four-year colleges, it does not address the needs of two-year colleges.

I recommend that the loan limits be the same for freshmen and sophomores as has been proposed for juniors and seniors.

THE NEED FOR GSL'S

Access to the world's most comprehensive system of higher education has been a fundamental belief of our country. Higher education should never be an avenue only for the wealthy if we are to continue to grow and prosper in harmony.

In Vermont, we have a basic philosophy of high public tuition so that those who can afford to pay the full cost do just that. Furthermore, we believe in a strong program of student assistance for the needy so that a college education is obtainable to everyone—not just the prosperous.

Guaranteed Student Loans are a critical underpinning of providing *access* to higher education for the needy. GSL's also follow the premise that you eventually pay for what you get and thus help to reaffirm our society's attitudes of helping others to help themselves.

DATA ON GSL'S AT VTC

Vermont Technical College is a small two-year public college that serves some of this nations major high technology employers. Almost four hundred of our graduates are employed by IBM.

With 100 percent placement and average starting salaries of almost $16,000 per year, the investment made in our students is repaid in a very short time through their contributions to the economy. Our 1985 graduates alone will earn almost $3,000,000 this year.

342 students at VTC had an average GSL of $2202 during the 1985-86 academic year. Isn't this a minimal investment for ensuring a quality workforce?

While we do not have default rates for GSL's, for students at our institution, we do compile this data for NDSL's. Our current default rate is 2.8 percent, reaffirming the basic idea behind loans that we are helping people succeed and that they will then repay their debt.

VALUE OF PUBLIC EDUCATION

Our nation has long realized the critical role that higher education plays in our economic and technological success. Our complex system of higher education is the envy of the world. We develop today's minds so that they are able to solve tomorrow's problems.

Industry realizes the important role of education. I have just returned from IBM where I was presented a large donation of Computer Aided Drafting and Design equipment. This is not their first contribution to VTC and I am sure that it will not be their last.

Public higher education has the image of making a college degree attainable by all those who desire it. Upward mobility has been only obtainable because of the desire of people to succeed and a national commitment to higher education. We must continue to support these beliefs.

CONCLUSION

The GSL program is very important to Vermont and the nation. HR 3700 is a very positive first step in addressing these needs, and I applaud the committee for their efforts. We do need to work together to modify the bill so that it serves the best interests of all Americans.

Thank you for allowing me to present my views to the committee.

Mr. JEFFORDS. Thank you very much, Dr. Clarke.

I will turn the hearings back over to our chairman, Mr. Ford.

Mr. FORD. President Russell Todd.

STATEMENT OF W. RUSSELL TODD, PRESIDENT OF NORWICH UNIVERSITY

Mr. TODD. Thank you, Mr. Chairman.

In addition to representing my university, I have the privilege this year of being the president of the Association of the Independent Colleges in the State. I hope to bring our visitors up to speed on where we stand in Vermont and how important higher education is.

The Reauthorization Act is probably one of the more important things that will happen in the State of Vermont in the next several years. We are very concerned in Vermont that our students have an opportunity to attend any college for which they have a need and for which they are qualified. Vermont is a very proud State. Our high school students rank very high nationally when they are scored on standardized testing. But only about half of our students continue on in higher education and assure themselves a better life.

Our Governor has said that within the next few years, in fact before the State's 200th birthday in 1991, her objective is to increase that by at least 50 percent. The Higher Education Act is probably the only way that Vermont would ever be able to achieve that objective.

Vermont is unique also in that our higher education as a segment of our economy is more important to Vermont than perhaps it is to any other State in the Nation. Only agriculture and tourism are more important here in Vermont. So, to a great extent, the extent of how well Vermont's economy does, is dependent upon how well our higher education institutions fare.

Our total college population in this State is small but very important to the State. We have about 30,000 students, which is some 10,000 less than Michigan State alone. And just as your State of Michigan is dependent upon the shipping of automobiles out of your State, this State is dependent upon the shipping of educated people out of Vermont, whereas some 58 percent of the total student population in this State comes into the State from out of State to be educated. It becomes a very important industry within our State.

So, changes in the law that affect this State will not only affect higher education in the State of Vermont but will also have a great deal to do with how Vermont fares.

We are very pleased that the committee has taken this opportunity to come to Vermont and hear from us.

We all realize that in the very near future there are going to be some very major changes in how this Nation pays for higher education. These will be both philosophical changes and changes caused by the reality in financing our budgets. But we would make a plea to you to make these changes as gradually as possible, to give our institutions an opportunity to adjust both to the major fiscal changes and the demographic shifts that we are facing during this period of time. Let us do it in an orderly fashion.

The Guaranteed Student Loan Program has been a major source of student assistance and is a very necessary program. During fiscal year 1986, close to 65 percent of the students of the tradition-

al population in my university have borrowed in excess in $2.2 million. Clearly, the Guaranteed Student Loan Program is the most vital resource in helping families with the cost of postsecondary education.

Your bill recognizes this, particularly in the increasing of the annual loan limit for juniors and seniors. We applaud that change. However, loan limits for freshmen in your bill remain unchanged since 1972, at $2,500. In 1972 for slightly more than that same $2,500, it was possible to purchase a Dodge Charger automobile. Today to get the equivalent automobile would cost over $6,600. I point this out to say that higher education is not the only thing that has gone up in our society since 1972.

Higher loan limits in the third and fourth year really don't make an awful lot of sense if parents cannot afford to put their children in the first 2 years of college. I have a fear that, if this were the case, we would be driving parents to have their students choose higher education not based on their qualification or need but, rather, based upon the institution that they could afford to send them to.

Now, I understand that under the current status of the legislation, neither the House nor the Senate version offer an opportunity for nondegree students to have access to Guaranteed Student Loan Program as they have in the past. I feel that this would be a tragic loss. Throughout the Nation we are seeing, in fact we are encouraging more and more adult students to enter or reenter higher education, most of these students having absented themselves from study for several years. Many of the students start in a part time, continuing education role which builds their confidence and gives them the foundation in order to get into a degree program.

I feel it would be a terrible mistake to discourage these adult learners.

Of equal concern is the debt burden placed upon all students as we shift from grants to loans. I wish to applaud the House, and particularly Representative Jeffords, for providing the loan consolidation in your bill. To us it makes very good management and business sense as well as lending some sanity to the process of repayment for the borrower.

In closing, let me just state that I commend the committee for its continuing efforts in support of higher education, the welfare of young people in this Nation.

Thank you very much for coming to Vermont and listening to us.

[Prepared statement of W. Russell Todd follows:]

PREPARED STATEMENT OF W. RUSSELL TODD, PRESIDENT OF NORWICH UNIVERSITY, BURLINGTON, VT

Mr. Chairman, Members of the Committee, my name is W. Russell Todd, I am President of Norwich University and for this year, I am also President of the Association of Vermont Independent Colleges. I am very pleased to have this opportunity to appear before you this afternoon and discuss the issues which impact upon our current efforts to reauthorize the Higher Education Act.

The Higher Education Act is a major piece of legislation for the United States and has contributed immeasurably to improving access and choice for millions of Americans.

But, the reauthorization of the Higher Education Act is probably one of the most important things that will happen in the State of Vermont in the next few years.

We are all very concerned that Vermont students have an opportunity to attend any college for which they have a need and are qualified.

In an economic sense Vermont is a poor State, lacking in some of the resources of our larger neighbors. But we are a proud State, and our high school students rank very high in the nation in terms of standardized testing. But only about one half of our high school graduates attend college and assure themselves a better life.

Our Governor has set a goal to increase the number of high school graduates continuing their education by 50 percent before the State's 200th birthday in 1991. The provisions of the Higher Education Act will do much to help us toward that goal.

Secondly, Vermont is unique in that Higher Education as a segment of our economy is more important to Vermont than it is to almost any other State in the Union. Only agriculture and tourism are larger industries in this State. So, to a great extent, the economic well-being of Vermont is dependent upon the success of all of our higher education institutions. Our total college population in Vermont is a little better than 30,000, both full and part-time students. This, I would point out to you is about 10,000 students fewer than Michigan State alone. Our Vermont colleges population is about equally divided between our public and private institutions, and represents about 4.8 percent of the total population of the State, which ranks Vermont 4th in the nation in terms of ratio of students to total population.

And just as Michigan is dependent upon selling its automobiles out of state, Vermont is dependent upon importing students to fuel its higher education industry. About 58% of the student population in Vermont comes from outside the State. Only the District of Columbia has a higher percentage.

So, the effects of change in the law, will have a greater affect in Vermont than perhaps in any other state in the nation, and we are grateful that you have come here to listen to us.

We are all very aware that in the near future there will be major changes in how an individual finances a college education. These will be both philosophical changes and the those caused by realities of balancing the budget. The combination of reduced federal funding and fewer students will be a very major shock to our system.

Our plea is that we make the required changes as gradually as possible. Give our institutions an opportunity to adjust to both the major fiscal and the demographic shifts that are occurring. Let us do it in an orderly fashion, or we are in grave danger that the damage done to higher education in Vermont will seriously damage the State's economy.

The Guaranteed Student Loan program has been a major source of student assistance, and is a very necessary program. During fiscal year 1986, close to 65 percent of the traditional student population at my University will borrow in excess of $2.2 million to help cover their costs of going to college. As recently as fiscal year 1984, only 56 percent of my University's traditional student population required guaranteed student loans. Clearly, the Guaranteed Student Loan program is one of the most vital resource in helping families cope with the cost of post-secondary education.

Your Bill to reauthorize the Higher Education Act recognizes the importance of guaranteed student loans by raising the maximum annual loan limit to $5000 for Juniors and Seniors, and we applaud that change.

However, the loan limits for Freshman and Sophomores remains unchanges since 1972, at $2,500. I would remind you that in 1972, for slightly more than $2,500 it was possible to purchase a Dodge Charger automobile. Today, to get an equivalent car would cost over $6600. In terms of purchasing power, the value of that $2,500 has been reduced by $991. Higher loan limits for the third and forth year of college are of little use if the student's family cannot meet the Freshman and Sophomore costs. I am afraid that not increasing the $2,500 limit will have the effect of driving students to select a college based not on choice but on cost.

We also applaud providing a nonsubsidized guaranteed student loan of $4000 for all students, as well as the $4000 supplemental loan. We consider these to be excellent programs.

As I understand the current status of Legislation, neither the House nor the Senate versions offer the opportunity for non-degree students to have access to the Guaranteed Student Loan program as they have in previous years. This can be a tragic loss.

Throughout the nation we are seeing, and we are encouraging, more adult students to enter, to re-enter, college. Many of these students face difficult choices in making this decision having been absent from study for several years. Many of these students start in part-time continuing education programs that build confidence and give them a strong foundation to begin degree programs. It would be a terrible mistake to discourage these adult learners from enrolling by not giving needy adults an opportunity to finance this important first step.

Of equal concern to us is the increasing debt burden placed on students as we shift from grants to loans. I wish to applaud the House and particularly Representative Jeffords for providing loan consolidation in your bill. It makes good management and business sense, as well as lending some sanity to the process of repayment for the borrower.

Before closing, let me again commend this Committee for its continuing efforts in support of higher education and the welfare of the young people of this nation. I thank you for bringing your Committee to Vermont, and I thank you for listening to us.

Mr. FORD. Thank you.

Marie Lamont.

STATEMENT OF MARIE LAMONT, STUDENT, ST. MICHAEL'S COLLEGE, WINOOSKI, VT

Ms. LAMONT. Mr. Ford, Mr. Jeffords and committee, I am Marie Lamont, a junior at St. Michael's College in Winooski.

To begin with my own experiences, due to unfortunate events I went through high school as a welfare or State child. Upon the age of 18, I became an independent student. I wanted a quality education and decided that St. Michael's College would give me what I wanted. But it's one thing to talk about going to school, and it's another to try and pay for it. For many students, financing college is a difficult feat, but if you only have a limited amount of money behind you and no one to back you up, it's almost impossible.

At the moment, I am paying for school with scholarships, financial aid from the school, loans, the money I earn through the summer, and a work study job throughout the school year. Believe me, I work a lot. I am proud that I am putting myself through college, but there are times I wish it were easier. As I am independent, half of the money I make through the summer pays for my subsistence. Also, every summer I end up giving my first couple of paychecks back to St. Michael's College to pay for what I still owe from the last year, not the upcoming year.

Oh, I could attend a less expensive college, but why should I sacrifice the rest of my life for a cheaper education? Cheaper does not mean better. I know that I am receiving the education that I want here, and that is where the guaranteed student loan comes in. This loan is what enables many students to attend college. If for any reason I was denied the guaranteed student loan, I would then have to leave St. Michael's. The reason for this is that I have no collateral to back up my promise with, and no banks will accept that.

Independent students should be treated on a par with dependent students. Even with the guaranteed student loan, independent students are viewed as an abnormality. On the other side of the stick, instead of no leg to stand on, many people have the preconceived notion that, if you are an independent student, you're wealthy. Well, most of us are anything but wealthy.

Another problem with the loans is the fact that there is an origination fee. With the origination fee, you are really receiving less loan. What happens is you are expecting $2,500 but only end up receiving $2,375. This may not seem a large amount to you, but to a college student $125 is a lot of money to try and find if you have already paid out $4,000 to $9,000. When you apply for the loan, they don't inform you of this fee either.

I can't stress how vitally important it is for every student to have the chance to go to college. Increasing the loan limit, even up to $3,000 is a help. As the cost of living increases, so do college tuitions. The loan limit has been the same since about 1972. This is not helping at all. I know St. Michael's is going up 7.5 percent. A lot of students, a lot of my friends aren't going to be able to come back to school next year. A lot of them haven't been able to come back to school in the past couple of years. So, I know what it's like. I see the students that can't come back because they can't afford it.

If the loan amount remains the same, you are, in fact, restricting college enrollment only to those upper middle or high class families. The same situation happens if there is a cap removed from the income level requirement. It really is not up to you to evaluate a student's ability to attend college by their family's income. It should be the student's qualifications, not their income.

Most students have a hard time paying for college. The guaranteed student loan makes a big difference in who can afford to go to school and who can't. I don't get a car, a vacation in Florida, or any type of free ride. My case may be a little bit out of the ordinary, but it is people like me that the guaranteed student loans help, as well as those families whose cases are not so extreme. Every one, I think, deserves the opportunity to have a college education. You can help that dream turn into a reality.

Thank you.

[Prepared statement of Marie Lamont follows:]

PREPARED STATEMENT OF MARIE LAMONT, JUNIOR, ST. MICHAEL'S COLLEGE, WINOOSKI, VT

I am Marie Lamont, a Junior at Saint Michael's College, in Winooski, and I have been asked to give a presentation on the Guaranteed Student Loan Program.

To begin with my own experiences, due to unfortunate events I went through high school as a welfare or state child and upon the age of 18 became independent. I wanted a quality education and decided that Saint Michael's would give me that. But it is one thing to talk about going to school and another to try and pay for it. For many students, financing college is a difficult feat, but if you only have a limited amount of money behind you and no one to back you up, it is almost impossible.

At the moment I am paying for school with scholarships, financial aid from the school, loans, the money I earn through the summer and a Work-Study job throughout the school year. Oh, believe me, I am proud that I am putting myself through college, but there are times that I wish it were easier. As I independent, half the money I make through the summer pays for my subsistence. Also every summer I end up giving my first couple paychecks back to Saint Michael's College to pay what I still owe for the last year, not the upcoming year.

Oh, sure I could attend a cheaper college, but why should I sacrifice the rest of my life for a cheap education? Cheaper does not mean better. I know that I am receiving the education that I want here, and that is where the Guaranteed Student Loan comes in. This loan is what enables many students to attend college. If for any reason I was denied my Guaranteed Student Loan, I would then have to leave Saint Michael's. The reason for this is that I have no collateral to back up my promise with, and most banks will not accept that.

Independent students should be treated on par with dependent students. Even with the GSL, independent students are viewed as an abnormality. On the other side of the stick, instead of no leg to stand on, many people have the preconceived notion that if you are an independent student you are wealthy. Well, most of us are anything but wealthy.

Another problem with the loans is the fact that there is an origination fee. With the origination fee, you are really receiving less loan. What happens is you are expecting $2500, but only end up with about $2375. This may not seem like a large amount to you, but to a college student $125 is a lot of money to try and find if you

have already paid out about $4000 to $9000. When you apply for the loan they do not inform you of this fee either.

I can't stress how vitally important it is for every student to have the chance to go to college. Increasing the loan limit, even up to $3000, is a help. As the cost of living increases, so do college tuitions. If the loan amount remains the same you are, in fact, restricting college enrollment only to those upper middle or high class families. The same situation happens if there is a cap removed from the income level requirement. It really is not up to you to evaluate a student's ability to attend college by their families income.

Most students have a hard time paying for college and the Guaranteed Student Loan makes a big difference in who can afford to go to school and who can't. I don't get a car, vacation, or any type of free ride. My case may be a little out of the ordinary, but it is people like me that the Guaranteed Student Loans help, as well as those families whose cases are not so extreme. Every one deserves the opportunity to get a college education. You can help turn that dream into reality.

Mr. FORD. Thank you very much.

I would like to say at the outset, Marie, that you are an exceptional example of why these programs are essential to make a difference. But I would hasten to say to you that, while you might seem up here to be a little out of the ordinary, there are millions of young people like you. And I wish that more people could hear people like you, because in Washington they talk as if you don't exist. Not all the independent students are looking for a free ride.

Let me see if I can explain one thing. The student origination fee has been considered to be an abomination by this committee. It was never written into the law by an education committee. Our friend, Mr. Gramm, when he was on the House side was also doing marvelous things. He managed to put together—he was a Democrat then—in 1981 something called Gramm-Latta. He changes parties and so on, but he's still with us.

In that process, all we were confronted with was saving money. And that process imposed for the first time a student origination fee, which cannot be justified by anyone as making any sense.

There was a stage in the markup of this bill in which we had the student origination fee out. But from the very beginning we were faced with the probability that, if we were ever going to get this bill signed by the President, we had to be able to demonstrate that at least it appeared to cost the Federal Government over the next 5 years less than the present law. Indeed, we managed that, something like $1½ billion less over the 5 years.

One of the things that had to continue was a student origination fee. Finally, on the floor, I lost all of it. We were going to phase it out 1 percent a year. It really was a cost question: What do you cut, which one of your children do you buy the shoes for? And we had to live with it.

Didn't we provide for capitalizing? You will be able now, even though the student origination fee will be charged to you, it can be capitalized with your loan so you will actually get the $2,500 for school instead of $2,375. It will increase your loan obligation, but it lets you finance Uncle Sam's raid on your pocket.

The new budget, I might point out has a very interesting twist in it. It suggests that the student origination fee be continued and that the money be earmarked for the Secretary to do something with, I don't know.

Do you know what it is, Rich?

Mr. DIEUGENIO. They eliminate the student loan origination fee, but then they put a new guarantee fee on, which is the same 5 percent.

Mr. FORD. Yes, well, they call it something else now, but then the money goes to the Secretary of Education.

I am afraid we're stuck with it, in short. The best we were able to do is find a way to keep it from reducing the size of your check when you're ready to pay the bursar at the school.

I would like to get back to Mr. Clarke. You were testifying when I came in. I know that many of the 2-year institutions are upset, not nearly as upset as the proprietary schools, over our compromise. We searched very hard for a way within the cost constraints to be able to increase student loan moneys. Let me confess to you the political rationale for the 2-year split.

It can be demonstrated when you look at the default population that the people most likely to default are the ones who leave school in the first year. The next most likely to default are the ones that leave before the end of the second year.

We did a number of things to try to correct that, which we claim as tightening up responsible business decisions. One is multiple disbursements, different than, I understand, some banks in Vermont were doing it in the past. The interest will not start running, the in-school interest will not start running on the loan until the cash is actually paid over.

Under the present system, a bank that makes a multiple disbursement starts receiving interest from the Federal Government on their account as soon as the student signs the paper. They might not give the second half of that loan out until the following January.

We discovered across the country that that created what the bankers call it a float. The bankers association was at first pleased when we mandated multiple disbursement until they found out what we did with it. We said: you will make multiple disbursements, but you will also not receive any interest accrual on the disbursement until you actually write a check. I think they have now accepted that as being reasonable.

There were two reasons why that had salability. One, the multiple disbursement helps with the default rate, because a student who drops out right here at Vermont in the first month has borrowed $2,500. They don't feel that they got anything for their $2,500. There are strong possibilities, if not probabilities, that someone who drops out the first two months is not going to be employed in the near future. And 6 months after they drop out of school they go into repayment, literally before the end of the school year. And they look at that guaranteed student loan and say: I didn't get $2,500 of education for that, and they become a problem.

Inaccurately, there is a strong perception in Washington fed constantly by people who know less than all the facts that students are very bad defaulters and that the default rate is costing the American taxpayers a lot of money. This committee doesn't believe that. This committee has to function in a very tight economically tight-fisted environment and find ways to say to people: all right, we're doing things to cut down the default rate, and that's where the 2-year break comes in.

How do you sell it to those people the idea that at the same time we recognize that a $2,500 loan for a large number of college students is not getting the job done? How to get it up to $5,000, as we put it up to $5,000? We get it up to $5,000 by saying, "But hold it; we're not giving it to everybody; we're giving it only to those people most likely to pay their loan back, which in fact is the pattern that develops for people who finish their third and fourth year of school."

Now, having said all of that, it has nothing to do with your institution. I looked at your institution and see that, while for community colleges the national cost for tuition and fees, the national average is $659 a year, yours was listed in the latest information I have at $2,534 a year.

Mr. CLARKE. For tuition and fees, $5,600 tuition, fees, room and board.

Mr. FORD. Room and board takes it up to $5,600.

Mr. CLRKE. And 80 percent of our students live on campus.

Mr. FORD. Now, when you look at which child you're not going to buy the shoes for, and you look at the national average for 2-year institutions, and you see that little figure you say: why does a student in that institution need more than other students to go up to the $5,000 or even the $3,000 level? If we've got scarce resources, where can we buy the most bang for the buck?

Admittedly, to an institution like yours, that does not make sense. But as I said earlier this morning, we can't isolate your type of institution. First of all, the statistics you have in your testimony about the average starting salary of your graduates, I hope you realize, is above the average starting salary for most 4-year colleges.

Mr. CLARKE. We realize that.

Mr. FORD. That is another characteristic that makes you different. If there was a way to write the law on the expectations of the ability of the student to repay, we could meet the criticism about defaults and let them borrow more money at your institutions because their expectations are far better than the average across the country.

So, what I am saying to you is, you are doing such a great job that we're not helping you.

I hope you understand that, given our druthers, we'd have gone up. That's also in the face of the fact that, in addition to the people who are concerned about the default rate, you have very conscientious people in education who are concerned about the size of indebtedness that students are taking out of school.

If two students who are using student aid go through 4 years of school and use the maximum loan for all 4 years under the present system of $2,500, and then they decide that they have fallen in love and they marry at the end of school, look at what they are starting out with as an obligation. Are they going to be able to find a home, buy a car, have a child, do all those other things? It raises serious questions when you see the size of the debt.

When you combine these loan programs with the graduate schools, you get some astonishing numbers. Some students at Georgetown Medical School who use student loans owe $100,000 when they get out of school. The average dental student at the University of Detroit who uses student loans owes $40,000.

I don't know what that does to them, but we are not going to get those people as doctors taking care of poor people. They are not going to go to a small town and set up a general practice. They can't afford to pay that kind of money back and do that. They are going to have to look for dollars first in preference to what they would like to do for society and their profession secondly. And that is a concern that all of us have in raising the loan limits even as much as we have, whether or not we are creating a generation of indentured servants here who get out of school owing so much money measured against their expectations of earnings that, as a practical matter, we block off their choices. People talk about asking people to do public service, that every young person ought to spend a couple of years in some kind of public service. How do you ask a young person who has that kind of indebtedness facing him to go into public service and go into default for 2 years? It isn't realistic to expect it.

There are a lot of concerns about what is the magic number for the student loan. And finally, there is the concern that the low-income students have been borrowing ever-increasing amounts of money through the GSL.

There is, unfairly but unquestionably, a correlation between the family income of the parents, and the likelihood that the people from that family coming out of college are going to be getting the less-well-paid jobs. There is unfortunately a link that doesn't break the way we would like to see it break.

For all of those reasons, we were not able to respond to you. And you were very kind in your comments. My friends—and they are my friends—in the proprietary schools think that I have abandoned them by this. But I assure you nobody, either Democrat or Republican, on this committee wanted to take this kind of a penurious approach to it. But with all the circumstances, I have tried briefly to describe to you, we have bought a political compromise that was what we thought was the best deal we can get.

I can only ask you and your students to forgive us. If you can come up with a different way to do it, we would be happy to see it.

I have to tell you this. It's worth the whole trip up here to see your kind of 2-year institution, because that's not what we're talking about across the country. You are unique in your experience, almost unique, at least unusual. Most 2-year institutions don't have that kind of a performance record, even with their 2-year programs and shorter programs. Obviously, we don't want to impede progress and successful operations like yours.

I don't want to say that you're doing so good that the legislator shouldn't give you more money, but I wish you were in Michigan.

Thank you very much.

Mr. Jeffords.

Mr. JEFFORDS. I thank all the panel for excellent statements. I just have one question, which I have tried to phrase in a way that you can answer with one word.

What is your reaction to Senator Pell's position, that a student should have a C average to be eligible for student aid or to maintain his eligibility? I should say choose anything from lousy to fantastic, be as short as you can, so that we have some guidance as to what people's perception is on that issue.

Mr. TODD. Let me start. A C is a C not even within the same programs within the same institution. Those are meaningless relationships. It will tend to cause people to change grades in order to affect how a student is financed. It's a terrible idea.

Mr. JEFFORDS. Marie.

Ms. LAMONT. I don't know.

Mr. CLARKE. I think that we should let the students in the individual colleges be their own evaluators as we currently do. Every semester, we academically dismiss approximately 15 percent of our student body. I don't think it's fair to penalize those students that we keep that are less than C average and work with them, because they have the right to appeal. It's not fair to penalize them, and they do do a good job in the long run.

Mr. IVERSON. This would be one of the largest travesties that we could provide to the average American for education.

Ms. ANDERSON. I want to agree with my boss.

Mr. JEFFORDS. Mr. Coseo.

Mr. COSEO. I think the current regulations are satisfactory on making progress, certainly address the issue adequately. I would not really like to see a self-imposed C average placed on the academic community.

Mr. FORD. Would the gentleman yield?

Mr. JEFFORDS. I would be happy to yield.

Mr. FORD. I am happy you asked that question, because I didn't have nerve enough to ask it. But you're accurate. You and I have discussed it. We will confront the Senators, who don't spend as much time at this, perhaps, as we do, who think that a C is the same in Harvard as it is in a veterinary school at Michigan State, and a C is the same in law school as it is in a community college. We'll get this. It has a tremendous popular appeal, that this will screen out the unworthy.

What we have done heretofore is trust the institution to say that to be eligible for student aid, you must be, in the view of that institution, making satisfactory progress toward your educational goal. Now, maybe that educational goal is to substitute 2 years in a 2-year college for the first 2 years of a 4-year college. And maybe it's a 2-year certificate. But that's up to the institution.

I think the weeding out process takes place when people find out that an institution is not turning out a good quality product, they aren't attracted to that institution.

I sound like the free enterprise advocate with this, but let the marketplace make the decision. No one on this committee ever suggested that, and we wouldn't even be raising it now. I am glad you had the temerity to raise it in your own State.

I don't know if I would get the same answer out in Michigan. I don't know what the gentlemen from Wisconsin and Minnesota feel about it. But the public out there thinks that somehow this would get rid of the unworthy, whoever the unworthy are. It is going to be a formidable thing for us to deal with in conference. We derailed it in 1980, you remember, Jim, from the same gentleman, on my side of the aisle, my party. We had a terrible time and finally convinced him we ought to study the matter, and maybe we'd better have another study.

Thank you for raising the issue.

Mr. JEFFORDS. I would just like to point out that the committee members have only a few more minutes before they must leave for their airplane. I apologize to the last panel for that; however, I will be here.

Mr. FORD. Let me, before leaving, once again thank you and all the panelists who were here, and apologize because I have to get back tonight. And this is not quite as easy to get back to Washington from as my district is, because I have the Detroit metropolitan airport at my door. I wish I could stay, but you're in very good hands. He is going to do it anyhow, but I am sure that Jim will share with me anything that is raised by this panel and the succeeding one. I do apologize that we have to leave, but it's not because we want to.

I am taking back a shiner that I didn't want when I came up here. I got enough questions during the lunch hour so I think there's an explanation in order. I discovered a Republican mountain in Vermont. I skied with Jim for a little while on Saturday, and we did marvelously. And then Sunday I made the mistake of going to that mountain with a friend who purports to be a Democrat. The mountain rose up in anger and struck me in the eye. I am taking home a black eye to prove that that mountain really has Republican tendencies. If you're going to ski on it, take somebody like Jim along for protection.

Thank you

Mr. JEFFORDS. Thank all of you for coming here and listening to some very excellent testimony. I just can't thank you enough because I know it is very difficult in our hectic schedules to be able to come up here. Although, I would have to add somewhat cynically that, with Gramm-Rudman in effect, we may all want to visit everybody else's districts and not our own. So, in that sense maybe I rescued you from a day of pain and agony.

I want to thank the panel again for some excellent testimony. I would just make one minor observation. There was a suggestion that we make checks payable both to institution and to the students. That is an excellent idea. It is something which can be required on a discretionary basis. It is my understanding the reason it is not mandatory now is that there are some States which have an unusual situation. Once you deposit the check in the account of the institution, it becomes the property of the State and subject to the State appropriations. So, they are not very willing to have those checks put in a situation like that.

Thank you again, everyone on this panel that has testified so far. Your testimony is of great help to me in pursuing the interests of Vermont and the Nation back in Washington, thank you.

Our next panel and the last panel of the day—and I apologize that time got away from us, as it unfortunately does too often. But it will be very important testimony, notwithstanding that it comes at the end of the day.

Dr. Charles Bunting is chancellor, Vermont State Colleges. Dr. Jack Linquist is president of Goddard College. Dr. James Pollock is president of Green Mountain College. Ms. Monica Coleman is assistant director of Outreach Programs, Vermont Student Assistance Corp. Ms. Cathy Kunz is a student at Johnson State College.

STATEMENT OF CHARLES I. BUNTING, CHANCELLOR, VERMONT STATE COLLEGES, PRESENTED BY DR. STEWARD LaCASCE

Mr. LaCASCE. I didn't write it myself. Chuck Bunting, chancellor of Vermont State Colleges, finished writing his testimony last night on his sick bed with a 101 temperature and had it typed and sent over to me. I will read part of it and then I have already passed out copies to the whole group that were here before they left for their plane so that they will have the full testimony there.

This will primarily set the stage for the rest of the panel. I will let the rest of the panel then speak on their specific issues.

What I am reading is Chuck Bunting's report. So this is not mine, although I agree with everything that he says.

We will skip the introductions to Chairman Ford, who is not here, and move right on to the main point.

Our particular panel might be entitled the Panel in Everything Else, other than student aid, that is. I suspect I was asked to chair the panel because of the long years I spent working in the Bureau of Everything Else in Washington, more specifically the crown jewel of everything else, in my unbiased view, the FIPSE program.

Another comment may also be useful. That our panel comes last, after three on student aid, is an honest and accurate reflection of the diminished role of other priorities in the array of Federal support for higher education. In fiscal year 1986, against the billions for student aid, $423 million was appropriated for everything else; putting aside Trio and title III, the figure is $105 million. Nor should anyone in this room doubt that the dollars and programs would be far fewer without the remarkable congressional leadership higher education has enjoyed from Mr. Ford, Mr. Jeffords, Senator Stafford, and others over the years.

There may be some who seek to control the Federal responsibility for support of educational improvement for reasons of philosophy. However, a more accurate assessment is that both improvement and student aid programs are caught in the same budgetary squeeze, in which it is neither feasible nor politically acceptable to close the widening gap between what the Federal role should be and what it is forced to be today.

In general, the 1984 Vermont report urged the Federal Government to maintain and strengthen its responsibilities for programs which seek to ensure that access to higher education will be meaningful, to support developing institutions, to support educational improvement, and a range of other priorities. And in general, both versions of reauthorization we are examining foster these goods as well, and both are to be commended.

He then goes on in his report to include brief statements about title II for college libraries; title V, teached education; title VII, academic facilities; title VIII, cooperative education; title IX, graduate education; and title X, entitled the Fund for the Improvement of Postsecondary Education.

I will read the last one, which is two paragraphs, on title X, FIPSE, simply because Chuck did head that program and has some things that are particularly appropriate to include here.

The reauthorization of FIPSE, with increased budgetary authority in both bills, reflects Vermont's earlier recommendations as

well. The Senate version includes new authority for projects providing the concept of community service for students, in exchange for educational services and assistance. Should such projects be attempted at the national level, FIPSE is a natural home for this authority, provided—and this is, I think very important—it does not further reduce funds available for its present authorization. An alternative would be to consider State-level projects, perhaps funded through the SSIG mechanism of title IV.

The House version provides procedural language seeking to protect FIPSE's historic autonomy at a time when the administration has sought to capture the program. Clearly, Senator Stafford has championed for a long time the same good, protection of the program's autonomy, and there may be additional means to do so. One possible step for the Senate committee's consideration would be statutory language which incorporated the concept of field-responsiveness, a principle which is at the heart of FIPSE's program and process.

I appreciate the opportunity to share these comments and would be pleased to provide further information if needed.

This, excluding the documentary information that he provides to the committee, is the chancellor's report to you.

[Prepared statement of Charles Bunting follows:]

PREPARED STATEMENT OF CHARLES I. BUNTING, CHANCELLOR, VERMONT STATE COLLEGES

Chairman Ford, Congressman Jeffords, other congressional colleagues and Vermont colleagues, I am pleased to have this opportunity to comment on the House and Senate Subcommittee version of reauthorization. The leadership of the House postsecondary committee, Congressmen Ford and Jeffords, also deserve our full praise and gratitude for taking the initiative and time to sponsor this hearing.

Our particular panel might be entitled, the Panel in Everthing Else—other than student aid, that is. I suspect I was asked to chair the panel because of the long number of years I spent working in the Bureau of Everything Else in Washington, and more specifically in the crown jewel of "everything else," in my unbiased view, the FIPSE program.

Another kind of comment may also be useful. That our panel comes last, after three on student aid, is an honest and accurate reflection of the diminished role of other priorities in the array of federal support for higher education. In FY1986, against the billions for student aid, $423 million was appropriated for all the rest; putting aside Trio and Title III, the figure is $105 million. Nor should anyone in this room doubt that the dollars and programs would be far fewer without the remarkable congressional leadership higher education has enjoyed from Mr. Ford, Mr. Jeffords, Senator Stafford, and others, over the years.

There may be some who seek to control the Federal responsibility for support of educational improvement for reasons of philosophy. However, a more accurate assessment is that both improvement and student aid programs are caught in the same budgetary squeeze, in which it is neither feasible nor politically acceptable to close the widening gap between what the federal role should be and what it is forced to be today.

In general, the 1984 Vermont report urged the Federal government to maintain and strengthen its responsibilities for programs which seek to insure that access to higher education will be meaningful, to support developing institutions, to support educational improvement, and a range of other priorities. And, in general, both versions of reauthorization we are examining foster these goods as well, and both are to be commended.

I will provide brief commentary on those titles not being addressed by other panelists. Further analyses are also attached.

Title II, College Libraries. Both bills relect a major recommendation included in the Vermont report: targeting Part A funds on institutions whose libraries meet a needs test. In our judgement, this is a major improvement in the legislation, and we hope it clears the way for appropriation support.

Given the current cost of academic books, however, the grant amounts are still modest and will have only limited impact on "library poor" institutions as shown in the attached anasis. Fewer, but significantly larger, development grants could have a greater and more visible impact.

The Vermont report also recommended that Part D be substantially revised to allow for development of, in its words, "multi-institutional library networking systems," in part recognizing the exciting ideas for automated statewide networks then being surfaced and now approaching reality in Vermont. We are, therefore, gratified by the new Part D provisions in the House bill, and we urge the Senate to consider its merits.

Title V, Teacher Training. The 1984 Vermont report supported in general terms several priorities reflected in the House bill: e.g., the problem of teacher shortages, particularly in certain fields; the need to encourage mid-career shifts into the teaching profession; and the need for cooperative ventures between schools, colleges, and other insitutions in society. We understand that the Sentate committee is still considering options for this title.

Title VII, Academic Facilities. The 1984 Vermont report suggested several priorities reflected in the House bill: that grants be competitive, that geographic distribution be assured as well as an equitable spread between large and small institutions, that renovation of existing facilities be supported, and that significant support for the modernization of academic equipment be included.

Title VIII, Cooperative Education: I enclose an analysis of the two bills, and concur with the assessment that both versions reflect virtually all of the recommendations made in the 1984 Vermont report.

Title IX, Graduate Education. The Vermont report recommended both individual and institutional support, with priority attention to support for minority graduate students and support for faculty development and institutional equipment. At present, we understand that both bills respond to the critical need to encourage and support minority graduate enrollments, while the Senate version does not continue the (unfunded) institutional aid provisions.

Title X, Fund for the Improvement of Postsecondary Education. The reauthorization of FIPSE, with increased budgetary authority in both bills, reflects Vermont's earlier recommendations as well. The Senate version includes new authority for projects providing the concept of community service for students, in exchange for educational services and assistance. Should such projects be attempted at the national level, FIPSE is natural home for this authority, provided it does not further reduce funds available for its present authorization. An alternative would be to consider state-level projects, perhaps funded through the SSIG mechanism of Title IV.

The House version provides procedural language seeking to protect FIPSE's historic autonomy at a time when the administration has sought to "capture" the program. Clearly, Senator Stafford has championed for a long time the same good, protection of the program's autonomy, and there may be additional means to do so. One possible step for the Senate Committee's consideration would be statutory language which incorporated the concept of "field-responsiveness," a principle which is at the heart of FIPSE's program and process.

I appreciate the opportunity to share these comments and would be pleased to provide further information if needed.

COMPARISON OF THE IMPACT OF TITLE IIA SUPPORT ON LIBRARY POOR INSTITUTIONS

[Average Cost per volume for Academic Libraries is $30.00]

Version	Eligibility	Grant	Number of books purchased
Last funded	Not restricted	$850	28
House/Senate	Lower half	2-10,000	67-333
Vermont	Library poor	50-200,000	1,667-5,000

Library poor institutions measure their needs in tens of thousands of volumes. Neither the old version nor the House/Senate draft will make much of a dent in those needs. The Vermont recommendation was for a major, planned, four-year development program, rather than limited on-going annual funding.

NORWICH UNIVERSITY—MILITARY COLLEGE OF VERMONT
AND VERMONT COLLEGE,
Northfield, VT, February 4, 1986.

Dr. CHARLES BUNTING,
Chancellor, Vermont State Colleges, Waterbury, VT.

DEAR CHANCELLOR BUNTING: Steward LaCasce has asked me to send you a brief statement comparing our original VHEC recommendations with the revisions proposed by the House and Senate in Title VIII of the Higher Education Act. A brief statement should be more than sufficient since we proposed very few changes in Title VIII and neither the House nor the Senate has made many; those that appear in the draft bills re in keeping with the spirit and intent of our suggestions, although it's very difficult to find much in the language of either bill that clearly echoes the original VHEC report.

We made six recommendations to Senator Stafford, and five of the six appear in some form in both the House and Senate revisions. Of the six, several were so routine that they probably would have been included even if we had never mentioned them, and several others were almost in the same category. One of our recommendations seemed so much like special pleading that I'm not surprised at its omission. The one recommendation that targeted a major problem in the current Title VIII language appears in a satisfactory form in both the House and Senate versions.

To be specific, here is a summary of our recommendations and the comparable proposals contained in the draft legislation.

(1) Reauthorize Title VIII. Both bills reauthorize. The House bill provides approximately ten million dollars more per year for the program than the Senate bill, which cuts funding dramatically. The funding proposed by the House is preferable, but the best we can reasonably hope for is some compromise figure midway between the two extremes.

(2) Do not merge Cooperative Education with the College Work Study Program. Neither bill proposes such a merger.

(3) To ensure wider distribution of Cooperative Education programs, fund the highest ranking application from each state. The Senate bill ignores this issue; the House bill addresses it by requiring that new institutions be funded each on a one-for-one basis as grants expire for institutions currently receiving funds.

(4)Limit funding eligibility to five years for a single institution. This is the most import of our recommendations, and both the House and Senate bills incorporate it, the House bill requiring a five year waiting period for further funding after the expiration of a grant, and the Senate by requiring a two year wait. Both stipulate that the institution must demonstrate a continuing commitment to cooperative education during the period without Federal assistance.

(5) Retain funds for training and research. Both bills stipulate that such funds will be available.

(6) Continue to fund projects aimed at fostering innovative methods of cooperative education and conducting demonstration projects. Both bills continue this funding.

All in all, VHEC has every reason to feel satisfied with the manner in which its recommendations have been incorporated into both the House and Senate bills reauthorizing the Higher Education Act. I suggest that you say something along those lines when you testify, expressing particular gratification with the provisions restricting funding to a five year period for any single institution and putting a a plug for as much money as possible in these tough budgetary times.

Sincerely,

KENNETH C. SMITH,
Associate V.P. for Academic Affairs & Dean of Faculty.

Mr. JEFFORDS. Thank you very much.

Please assure the chancellor that it will be made a part of the record. I deeply appreciate his willingness to share with us, under adverse circumstances, his thoughts today. I know it is very difficult when you are suffering an illness, as he was, to put your thoughts together; but he obviously did a very excellent job.

I would also like for those who are here this afternoon and might not have been here this morning to say that I deeply appreciate the cooperation from Senator Stafford in these hearings and the presence of Polly Gault, who is in the back of the room and still listening intently and writing notes down so that your testimony is

being shared not only with the House Members and our staff but also Senator Stafford.

Dr. Lindquist.

STATEMENT OF JACK LINDQUIST, PRESIDENT, GODDARD COLLEGE

Dr. LINDQUIST. I want to talk to you from two perspectives. One is as the president of a Vermont College that is involved with several of the titles that I am going to address. title I, title III, title VI, and title VIII, I am going to get through very quickly. The other is as a person who has been involved for the last 15 years in national academic reform efforts. I have directed three national projects that have involved every kind of postsecondary institution in every State in the country. And I am now involved as a trustee of the Council for Adult and Experiential Learning.

So, it's a combination of a Vermont perspective and a more national perspective that I would like to share.

From both those perspectives, I am very encouraged by both subcommittees, yours and the Senate subcommittee, maintaining the titles that have to do with seeding the priorities for national reform through those titles. If there is anything I have learned in academic reform it is that, if you don't put some seed behind what you hope to grow, it isn't going to happen.

Therefore, if those titles disappear, the national priorities are not going to move. That is at least my contention.

A second contention from that background is that change never takes as short a time as you think it should. Here we are, 20 years into priorities set in 1965, and several of them in title III certainly speak directly to that regarding discrimination. The flower has not bloomed sufficiently. The problem has not gone away. We must stay at it.

Another thing I would like to note in general from that perspective is that, although when reauthorizing one looks back at priorities set originally, times change. If the priorities of a revision don't reflect the changes in the world, you've got a bad bill. I am very encouraged, with that thought in mind, about title I, as the House Subcommittee has addressed it.

We in Vermont were extremely concerned that the world is moving toward constant change and high complexity, and therefore adults again and again and again in their lives are going to have to renew their higher learning.

That priority must have congressional support. This subcommittee, I believe, is doing the kind of job that needs to be done in the revision of title I that you have.

I applaud your efforts on title I and encourage Polly to read those closely.

In terms of title III, although I think we very much agree with the priorities of the subcommittees, there are some things that the Vermont Higher Education Council pointed out. And I am going to put in somewhat my own perspective, but I think it reflects theirs.

Point A, perpetual welfare is as unhealthy for institutions as it is for individuals. Evaluation criteria for both sections A and B of title III should be evidence of progress toward self-sufficiency.

When I look at particularly section B what funds may be used for, they perhaps endanger institutions that are going to end up living on title III as opposed to eventually living on their own abilities.

The second point is that Vermont colleges do not serve large proportions of minority students because the State has comparatively few. These institutions do serve other very poor and discriminated-against populations, single parents being currently the most visible. Financial aid for such students must be accompanied by title III institutional development of the capacity to serve them. If budget cuts come and specific monies are set aside only for institutions serving large proportions of minorities, the effect on the hopes of poor women in particular could be devastating. I therefore urge a requirement for percentage reductions across all title III categories if cuts must occur.

That is concurring with you, I noticed, in your testimony.

C, the Vermont Higher Education Council urges again, as we did in our original statement, that the challenge grant base in title III be not $50,000, which few poor colleges can manage to match, but $20,000. This title, above all others, should not only help the more well off.

D, VHEC, the Vermont Higher Education Council, earlier urged bill guidelines for title III staffing to ensure an adequate staff highly experienced in assisting institutional development, not the bureaucratic maze that has been so debilitating up to now.

You have to attend, it seems to me, to the people in Washington who are assisting title III institutions. They need to be given the support and there needs to be put in there the expertise to really assist these institutions.

On title VI, I have one comment. I generally applaud the attention and continued attention. There is nothing clearer, I think, in the national reform efforts than that our world is now a global world. It is not the parochial Western world, despite the Secretary of Education's comments from time to time. Therefore, we must not only support language training and support centers for international studies, but I would say, even though the word is a word I shutter to use as a former English professor, we must globalize the college curriculum. We must in every discipline attend to a more global perspective.

I would hope in title VI there are monies and encouragement and challenge to institutions to do that.

On title VIII, I guess I have to use the experience of my own institution. Last year we applied for a cooperative education grant. In the review of our proposal someone said—one never knows who these people are—that this is the way cooperative education should be in the future, but it does not fit the current notion of cooperative education; therefore, it doesn't qualify.

Cooperative education is an answer to a problem or a need. The need is to relate work and study, to relate career preparation and academic development, to relate liberal learning and the real world. The current formula for cooperative education is only one answer. I would urge that instead of, particularly the direction I have seen in the House version—I am not as acquainted with the Senate version—instead of what seems to me to be a perpetuation

and strengthening of an old model, that that be a seeding mechanism for new thoughts and new answers to that very large challenge.

[Prepared statement of Jack Lindquist follows:]

PREPARED STATEMENT OF JACK LINDQUIST, PRESIDENT, GODDARD COLLEGE, TRUSTEE, COUNCIL FOR ADULT AND EXPERIENTIAL LEARNING

I come to this Subcommittee a native Michigander and adopted Vermonter (hopefully: it ain't easy) who has served on the administration or faculty of colleges and universities in six states (Michigan, Florida, California, New York, Ohio, and Vermont) and directed three national academic reform projects involving every type of postsecondary institution-including historically Black colleges—in every state.

I'll try to put all that peripatetic experience to some use for you as I very briefly address four titles in House and Senate revision of the 1965 Higher Education Act: I, III, VI, and VIII. My major contention is that such federal assistance to institutions is still very necessary for two reasons:

1. Change is agonizingly slow, so most 1965 challenges have not yet been realized.
2. The world in 1985 is in some ways strikingly different than the 1965 world; so the revised act must recognize those differences.

TITLE I

The most dramatic difference is in the extent to which adult, life-long learning for a highly complex and constantly changing world is now the central business of high education. And nowhere more than Vermont do I see recognition that the state's future depends on the ability of our colleges to meet this challenge.

I therefore applaud the House version of Title I and urge the Senate subcommittee to recognize its wisdom about this country's future.

TITLE III

The federal battle against racial discrimination is hardly won, so I find no quarrel with the intent of both the House and Senate versions of Title III. I and the Vermont Higher Education Council do urge, however, several adjustments within this intent:

A. Perpetual welfare is as unhealthy for institutions as it is for individuals. Evaluation criteria for both Sections A and B should be evidence of progress toward self-sufficiency.

B. Vermont colleges do not serve large proportions of minority students because the State has comparatively few. These institutions do serve other very poor and discriminated-against populations, single parents being currently most visible. Financial aid for such persons must be accompanied by Title III institutional development of the capacity to serve them. If budget cuts come and specific monies are set aside only for institutions serving large propertions of minorities the effect on the hopes of poor women in particular could be devastation. I therefore urge a requirment for percentage reductions across all Title III categories if cuts occur.

C. The Vermont Higher Education Council urges again that the Challenge grant base be not $50,000, which few poor colleges can manage to match, but $20,000. This title above all others should not only help the more well off.

D. VHEC earlier urged bill guidelines for Title III staffing to insure an adequate staff highly experienced in assisting institutional development, not the bureaucratic maze that has been so debilitating up to now.

TITLE VI

Strengthening language and international studies is an even greater national priority in 1985 than it was in 1965, especially regarding non-European areas. But such studies tend to get relegated to one corner of the curriculum.

Ours is a global culture, a global economy, a global polity. We must, therefore, "globalize" the entire college curriculum, rapidly. This title should put federal funds to that challenge.

TITLE VIII

Cooperative education has become a rigid formula, and at least the House bill perpetuates that formula without challenge to move forward the very crucial national challenge to closely engage academic and career development, the campus and the

world of work. Nor does it set forth new challenges regarding the kinds of academic knowledge and work skills needed for our future.

This title needs revision to make it not a perpetuation and expansion of old cooped models but a challenge to break new ground.

One last challenge to those creating one new bill. Evaluation of every program should be on how well it enables graduates to perform in the world, not on academic tests. The two, unfortunately, can have little to do with one another. A lot of taxpayer dollars will go for little strengthening of this country if evaluation criteria remain the academician's, not the citizen's.

Mr. JEFFORDS. Thank you very much.

Dr. Pollock, please proceed.

STATEMENT OF JAMES M. POLLOCK, PRESIDENT, GREEN MOUNTAIN COLLEGE

Dr. POLLOCK. Like those who have gone before me, I would like to indicate how pleased we are that you have chosen Vermont as the site of this particular hearing.

Although 1 year does not span a great deal of time when one studies history, it is interesting to note the progress of events that have spanned the 12 months since your colleagues in the Senate opened their hearings on this same subject in this same city. Then the hot topics of conversation were students' Florida vacations, their stereos and their BMW's. Today a new lexicon is entering our vocabulary: Gramm-Rudman. Although the vocabulary has changed, the choices remain the same: You must search for both long and short term equitable solutions: Investments in the future versus quick-fix solutions.

Perhaps it's more than coincidental that the committee hearings on the Higher Education Reauthorization Act should both begin and end in Vermont. For in this small State, one may find a microcosm of the entire country.

I appear before you today as the president of Green Mountain College and would like to address my remarks specifically to title VII, that portion of the Higher Education Act which deals with construction, reconstruction, and renovation of academic facilities. I believe my concerns reflect my own individual feelings, but at the same time I believe they will be shared universally by all of my colleagues.

You are to be commended for incorporating this provision in the Higher Education Act. One might look at the Nation's demographics and conclude that this is not the time for colleges and universities to be thinking of new buildings; but like old cars, buildings must be replaced, upgraded, and repaired. For in order for our institutions of higher learning to continue to produce scholars and researchers, they must have appropriately equipped laboratories, classrooms, buildings and other facilities, including libraries.

It is not because we do not recognize the need for new laboratories, renovated classrooms, library expansion and the necessity to make our facilities more energy efficient that prevents us from acting in this area. The stark reality of the situation is that the pressures placed on our budgets by increased energy costs, insurance, and other fixed overheads place us in a position where, if limited to our own resources, we cannot respond with the degree of adequacy necessary to meet the ever-changing needs of the students.

College presidents across the country recognize that our annual audit reports do not fully describe the true financial condition of our institutions. For hidden in them as an unidentified deficit is the deferred costs associated with the failure to adequately maintain the college's physical plant. These deferred costs may ultimately have a more dramatic effect on the quality of educational programs we can offer than that which will occur through the loss of tuition dollars. And unfortunately, without some relief of the type provided in this title, the situation can only get worse.

The House version of the title suggests several changes over previous legislation that I would like to address specifically. Notably, if passed in its present form, the funds appropriated for this title would be administered by the Student Loan Marketing Associates, a private profit-making corporation. The question must be asked whether this is the most effective way of administering the funds or whether some existing Federal agency must perform the task just as efficiently. In other words, do we need another conduit?

Another concern I would raise is the provision which states that no funds would be available under parts A and B of the title unless $25 million is appropriated annually for part B. In essence, does this paralyze the program due to lack of adequate funding in one specific area?

I would also raise the question as to whether or not the legislation might be further strengthened by providing more specific information regarding the types of institutions that might be aided by the program.

In addition, I would like to draw your attention to one aspect of the title that is unrelated to its wording. The purpose of the authorization is obviously notable. However, its effectiveness is greatly diminished if this portion of the act is not funded. As you are aware, this has been the case in recent years. I would urge you to exercise your influence to its fullest to help ensure that this title is funded fully.

We could regale you with statistics as to the need for this title and the need to fund it to its fullest, and I am certain that your staffs have supplied you with these statistics. But as I was thinking about the statement I was going to give you today, my mind kept slipping back to Stephen Callahan's account of being adrift in the Atlantic in an open raft for 76 days. I could not help but think of the similarities between him and our colleges and universities. He spent most of his waking time bailing, patching the raft, and trying to improvise ways of catching basic sustenance.

Unlike Mr. Callahan, those of us in higher education are not looking for a massive search and rescue effort. What we are looking for is a little help. We need to patch and broaden our sails. We are not hopelessly adrift, but we are running out of baling wire and chewing gum. We know what our destination is, and we know how to set our rudder. All we need is your help and your understanding.

Thank you for giving me the opportunity to bring you these comments.

[Prepared statement of James Pollock follows:]

PREPARED STATEMENT OF DR. JAMES M. POLLOCK, PRESIDENT, GREEN MOUNTAIN COLLEGE

Congressman Ford, Congressman Jeffords, and other distinguished visitors:

Like those who have gone before me, I too would like to welcome you to our State and indicate how pleased we are that you have chosen Vermont as the site of this hearing. Although one year does not span a great deal of time when one studies history, it is interesting to note that progress of events that have spanned the twelve months since your colleagues in the Senate opened their hearing on this same subject in this same city. Then the hot topics of conversation were students' Florida vacations, their stereos and B.M.W. Today a new lexicon has entered our vocabulary—Gramm-Rudman—and although the vocabulary has changed, the choices remain the same: you must search for both long and short term equitable solutions—investments in the future versus quick fix solutions.

Perhaps it is more than coincidental that the committee hearings on the Higher Education Reauthorization Act should begin and end in Vermont. For, in this small State, one may find a microcosm of the entire country.

I appear before you today as the president of Green Mountain College and would like to address my remarks specifically to title VII of that act—that which deals with construction, reconstruction, and renovation of academic facilities, but I believe my concerns are shared universally by all my colleagues.

You are to be commended for incorporating this provision. One might look at the Nation's demographics and conclude that this is not the time for colleges and universities to be thinking of new buildings, but like old cars, they must be repaired, upgraded, and eventually replaced. For in order to have our institutions of higher learning continue to produce scholars and researchers they must have the appropriately equipped laboratories, classrooms, buildings, and library facilities. It is not because we do not recognize the need for new laboratories, renovated classrooms, library expansion and the necessity to make our facilities more energy efficient that prevents us from acting. The stark reality of the situation is that pressures placed on our budgets by increased energy costs, insurance, and other fixed overheads place us in a position where, if limited to our own resources, we cannot respond with the degree of adequacy necessary to meet the ever changing needs of the students.

College presidents across the country recognize that our annual audit reports do not fully describe the true financial condition of our institutions. For hidden in them, as an unidentified deficit, is the deferred costs associated with the failure to adequately maintain the college's physical plant. These deferred costs may ultimately have a more dramatic effect on the quality of education programs we can offer than that which would occur through the loss of tuition dollars, and unfortunately without some relief of the type provided in this title, the situation can only get worse.

The House version of the title suggests several changes over previous legislation that I would like to address. Notably, if passed in its present format, the funds appropriated for this title would be administered by the Student Loan Marketing Associates, a private profit making corporation. The question must be asked as to whether this is the most effective way of administering the funds, or whether some existing Federal agency might perform the task just as efficiently? Do we need another conduit?

Another concern I would raise is the provision which states that no funds will be made available under parts A and B of the title unless $25,000,000 is appropriated annually for part E. In essence, does this paralyze the entire program due to lack of adequate funding in one area?

I would also raise the question as to whether or not the legislation might be further strengthened by providing more specific information regarding the types of institutions that might be aided by the program.

In addition, I would like to draw your attention to one aspect of the title that is unrelated to its wording. The purpose of the authorization is obviously noble: however, its effectiveness is greatly deminished if it is not funded. As you are aware, this has been the case in recent years. It would urge you to exercise your influence to its fullest to help insure that this title is funded.

We could regale you with statistics as to the need for this title and the need to fund it to its fullest, and I am certain that your staffs have supplied you with all these statistics. But as I was thinking about the statement I was going to bring to you today my mind kept slipping back to Stephen Callahan's account of being adrift in an open raft for 76 days. I could not help but think of the similarities between

him and our colleges and universities. He spent almost all of his waking time bailing, patching the raft, and trying to improvise ways of catching basic sustenance.

But unlike Mr. Callahan, those of us in higher education are not looking for a massive search and rescue effort. What we are looking for is a little help. We need to patch and broaden our sails. We are not hopelessly adrift. We know what our destination is and we know how to set our rudder. What we need is your understanding and support.

Mr. JEFFORDS. Thank you very much, Doctor.

Cathy Kunz.

STATEMENT OF CATHERINE KUNZ, STUDENT, JOHNSON STATE COLLEGE

Ms. KUNZ. My name is Cathy Kunz. I am currently a senior at Johnson State College.

I thank you for this opportunity to share with you what I feel about the Trio program and in particular special services and how it has helped me over the last 5 years.

My family moved to Vermont about 6 years ago, as a junior in high school. For me the change in high school was disastrous. I didn't like the Vermont high school and after 3 months I quit. During this time away from school, I stayed at home, unable to find a job. By the next school year, with the help of my mother, I decided to return to high school to repeat my junior year.

At this point in time, my guidance counselor asked me to come to his office and watch a film about Upward Bound. At first I was unsure about it. With my parents' help, I decided to try. It was one of the best decisions I have ever made.

I was involved in the experience my first summer and then monthly school meetings during my senior year. I was also involved in Project Apollo through Upward Bound.

Upward Bound helped me to decide that I should try college. This was my first introduction to Trio. After high school graduation, I was a PROVE student. PROVE is Johnson State's special service program. This was my first time away from home, from rules and restrictions. I was responsible for myself.

I took two classes that summer, U.S. history and college writing. I learned many valuable lessons that summer. I also learned a lot about myself. PROVE gave me help in adjusting and helped smooth my transition from high school to college. That summer I learned self-discipline. I enhanced my social skills, learned valuable study skills and, most important of all, I learned the importance of time management. Personally, I grew up. I discovered that I had to be responsible for my own actions and decisions. I found that I was hurting myself by fooling around and skipping homework.

Fortunately, my history tutor got through to me in time and made me realize this. With his help and taking advantage of every possible tutoring session, I passed both my classes that summer with C's. I also reached a major turning point in my life at this time.

PROVE found a job placement for me. I worked in the college day care center. I was coming into Johnson as an environmental science major. I took the job because I like children. But I soon found that I enjoyed the job very much. By the end of the summer,

I decided with the help of an academic adviser, to become an education major.

I entered Johnson as a full-time student in the fall of 1982. The academic advice I received at this time was a tremendous help and very instrumental in the fact that I have made it through college and will be receiving my degree in exactly 4 years. During that freshman year, however, I encountered many stumbling blocks. I can honestly say that, without the help of special services, I probably would have flunked out my first semester.

I had two courses, psychology and pre-algebra, both required for graduation, that I had problems with. Pre-algebra was like a foreign language, and psychology for just tough. For pre-algebra I got a tutor. I had tutor sessions twice a week. I went to every session. I just barely passed.

At mid-semester I was failing psychology. When I received my mid-term warning, my academic adviser contacted me. We discussed the class and the problems I was having. With her help, I then dropped the class; and that saved my GPA and my chance at Johnson. I was still working at the day care at this time.

During my spring semester I still had quite a few problems. I had picked up psychology again, and I took algebra while pre-algebra was still with me.

At mid-semester I had an accident and I hurt my knee. I had to have minor surgery done and I missed quite a bit of school. I had to drop algebra because I was too far behind to catch up.

My algebra tutor at this time agreed that that would be the best for me. This left me with only 12 credits, the minimum for a full-time student to receive financial aid.

My psychology professor told me to drop his course. He said there was no way he could pass me with all my absenses. I refused.

It was a prerequisite for education classes, and I needed all my financial aid, so I couldn't drop it. I got a tutor through special services. She helped me make up all the work I had missed.

She helped me through the missed chapters, she helped me prepare study sheets, and quizzed me and prepped me for the test. I ended the semester with a B in psychology.

In the fall of my sophomore year I once again took algebra. I got a tutor in the beginning and did reasonably well. About a quarter of the way into the semester I stopped going to tutoring sessions, I thought I couldn't afford the time. Well, I received a D in the course. The only D I have ever gotten in my college career.

I regretted not having kept up with my tutoring sessions because I know it would have resulted in my getting a better grade.

I stand here before you now, a successful education student. I received an A in my first practicum. And I have worked at the college day care for the 4 years I have been at Johnson, and I am now a respected part of their staff.

I have been both on the president's list and the dean's list, and my GPA at this time is a 2.93. I have held an RA position for 2 years, and I was referred to this position through PROVE.

Last semester was my toughest semester in all the years I have been here. For the first time I was taking 18 credits. I had three very demanding upper-level education courses, two general education requirements, and one elective.

I made it through the semester with over 3.25 GPA, plus volunteering at the day care and hold my RA position.

As I reflect back I can see how very important special services, as well as Upward Bound and financial aid, has been in helping me to become as successful as I am. Upward Bound got me through high school and to college.

Financial aid has helped me, actually aid is totally responsible for paying for my education. But it has been special services who have helped me to stay here and prevented me from flunking out.

When I think about jobs on campus without these important programs, I can see drastic changes. Without Upward Bound I feel there will be more high school dropouts. Some of the students will have no reason to stay in school and stay productive. Some students will not make it to college without their help.

Without financial aid that is easy, no aid, no school. Without special services, it has been my opinion, that many of the students would not have the tutorial support, intensive freshmen advising, preparation through the summer program, counseling services, and services for the handicapped students necessary for their success in college.

In conclusion, I would like to thank you for this opportunity to express my appreciation to the committee for letting me share my experiences.

I would also to say that I hope these programs will continue so that other students like myself can have the chance to reach their full potential.

Soon I will be a teacher, able to give back to others what I have received. I will be paying taxes to help support the programs that I have been a part of.

Thank you.

[Prepared statement of Catherine Kunz follows:]

PREPARED STATEMENT OF CATHERINE KUNZ, JOHNSON STATE COLLEGE

My name is Catherine Kunz. I am from Island Pond, Vermont. I am currently a senior at Johnson State College. Thank you for the opportunity to share with you how I feel about the TRIO programs and in particular, Special Services and how it has helped me over the last five years.

My family moved to Vermont about six years ago. I was a junior in high school at this time. For me the change in high schools was disasterous. I did not like Vermont high school and after three months I quit. During this time away from school I stayed at home, unable to find a job. By the next school year, with the help of my mother, I decided to return to high school to repeat my Junior year. At this point in time my guidance counselor asked me to come to his office to watch a film about Upward Bound. At first I was unsure about it. With my parent's help I decided to give Upward Bound a try. It was one of the best decisions I have ever made. I was involved in the outdoor experience my first summer, than monthly school meetings during my senior year and I was also involved in the Project Apollo through Upward Bound. Upward Bound helped me decide that I should try college. I was assisted in filling out all the appropriate financial aid forms, Upward Bound arranged for fee waivers to be included with my college applications so I could afford to apply to more than one college, and Upward Bound also paid for me to take my SAT's. This was my first introduction to TRIO.

After high school graduation I was a Bridge/Prove student. Prove is Johnson State's Special Service Program. This was the first time away from home, from rules and restrictions. I was responsible for myself. I took two classes that summer, U.S. History and College Writing. I learned many valuable lessons that summer and I also learned a lot about myself. Prove gave me help in adjusting. It helped smooth my transition from high school to college. That summer I learned self-discipline. I enhanced my social skills, learned valuable study skills and most important of all I

learned the importance of time management. Personally I grew up. I discovered that I had to be responsible for my own actions and decisions. I found that I was hurting myself by fooling around and skipping homework. Fortunately, my History tutor got through to me in time and made me realize this. With his help and taking advantage of every possible tutor session I passed both of my classes that summer with "C's."

I also reached a major turning point in my life at this time. Prove found a job placement for me. I worked in the college Day Care Center. I was coming into Johnson as an Environmental Science major and I took that job because I liked children, but I soon found that I enjoyed the job very much. By the end of the summer I decided, with the help of an academic advisor, to become an Education major.

I entered Johnson as a full-time student in the fall of 1982. I feel that the academic advising I received at this time was a tremendous help and very instrumental in the fact that I have made it through college and will be receiving my degree in exactly four years. Many of my fellow students who entered Johnson at the same time, in the same program, will be here an extra semester or two due to classes taken out of sequence and the lack of prerequisite classes.

During my freshman year however, I encountered many stumbling blocks. I can honestly say that without the help of Special Services I probably would have flunked out my first semester. I had two courses, Psychology and Pre-Algebra, both required for graduation that I had problems with. Pre-Algebra was like a foreign language and psychology was just tough. For Pre-Algebra I got a tutor. I had tutor sessions twice a week. I went to every session and I just barely passed. At mid-semester I was failing Psychology. When I received my mid-term warning, my academic advisor contacted me and we discussed the class and the problems I was having. With her help I was able to drop the class and that saved my GPA and my chance at Johnson. I was still working at the Day Care at the time.

During my spring semester I still had quite a few problems. I had picked up Psychology again and I took Algebra while Pre-Algebra was still with me. At mid-semester I had an accident and I hurt my knee. I had to have minor surgery done and I missed quite a bit of school. I had to drop Algebra because I was too far behind to catch up. My Algebra tutor at this time agreed that it would be best for me. This left me with only 12 credits the minimum for a full-time student to receive financial aid. My psychology professor told me to drop his course. He said there was no way he could pass me with all my absenses. I refused. It was a prerequisite for my education classes and I needed all my financial aid so I couldn't drop it. I got a tutor through Special Services. She helped me make up all the work I had missed. She helped me through the missed chapters, she helped me prepare study sheets, she quizzed me and prepped for the tests. I ended the semester with a "B" in Psychology.

In the fall of my sophomore year I once again took Algebra. I got a tutor in the beginning and did reasonably well. About ¼ of the way into the semester I stopped going to tutoring sessions. I thought I couldn't afford the time. Well, I received a "D" in the course. The only "D" I have ever gotten in my college career. I regretted not having kept up with my tutoring sessions because I know it would have resulted in my getting a better grade.

I stand here before you now, a successful education student. I have received many compliments, and a lot of encouragement from the education faculty. I feel that I am trusted to be a professional when representing Johnson's education students in the public schools. I received an "A" in my first practicum. I have worked at the college Day Care for the four years I have been here at Johnson and I am a respected part of their staff. I have been on both the President's and the Dean's Lists and my GPA at this time is a 2.93. I have held an R.A. position for 2 years. I was referred for this position through PROVE.

Last semester was my toughest semester in all the years I have been here. For the first time I was taking 18 credits. I had three very demanding upper level education courses, 2 General Education Requirements and one elective. I made it through the semester with over a 3.25 GPA plus volunteering at the Day Care and holding my RA position.

As I reflect back I can see how very important Special Services, as well as Upward Bound and Financial Aid, has been in helping me to become as successful as I am. Upward Bound got me through high school and into college. Financial aid has helped me, actually aid is totally responsible for paying for my education, but it has been Special Services who has helped me to stay here and prevented me from flunking out. Special Services is responsible for helping me obtain the trusted position I hold today.

I thinking about other Prove students that I know I can clearly point out a couple. One Prove friend who went through the summer program with me is now studying abroad. She went to a larger university after that Prove summer. We often talked because she did not really enjoy being there. She agreed that if Prove had not prepared her for the college experience she might not have stayed at the larger institution. I have a friend who only stayed in school because of the psychological counseling services offered. Whe needed these services and they were here for her. I also know students who had algebra who made it successfully through with the help of a tutor and others who did not care for tutorial help and flunked the course. I believe the tutors made the difference.

I know that as an RA, when people come to me with academic problems, I automatically send them over to the Special Services office for help; that's how I made it.

When I think about this campus without these important programs I can see drastic changes. Without Upward Bound I feel there would be more high school drop-outs. Some students would have no reason to stay in school and stay productive and some students would not make it to college without their help.

Without financial aid, that's easy: no aid no school!

Without Special Services it is my opinion that many of the students would not have the:

1. tutorial support
2. intensive freshmen advising
3. preparation through the summer program
4. counseling services
5. services for handicapped students necessary for their success in college.

In conclusion, I would like to thank you for this opportunity to express my appreciation to the committee for letting me share my experiences. I would also like to say that I hope these programs will continue so that other students like myself can have the chance to reach their full potential. Soon I will be a teacher, able to give back to others what I have received. I will be paying taxes to help support the programs that I have been a part of. Thank you.

Mr. JEFFORDS. Well, thank you, Catherine. That is a very excellent statement, and a very meaningful one as to why we need the TRIO program and other similar programs.

One of the great fears I have with all the titles here, that under these severe cuts which we are facing, that there is a tendency to forget these programs and think only in terms of the more expensive and very important programs of financial aid.

But we have to got to remember the special needs that are contained in the other titles, and hopefully we will be able to survive the cuts that are forthcoming, and to be able to insure that these programs do continue.

I would say that Gramm-Rudman phrase is one which we are all going to learn. There is a couple of variations of that which may be easier for you to remember. One is "Grambo," which probably expresses it very well from a philosophical perception.

And another one is mine, which I call it "GRH," or "gerr," which also is one way we have an easier time remembering what it means.

In the final analysis, I would like to say that these titles are those that I have had a special interest in. I have had chances to get some modifications with FIPSE in order to keep it out from under the thumb of the Secretary, for whom I do not greatest, well, shall we say, compliments, that it might have the kind of results that we are looking from it.

I am aware of the problems with title III, as far as what will happen to the cuts and grants programs, as well as the problems of match, as you pointed out. All these problems are very important.

One thing that deeply disturbs me, as we have this continuing and increasing trade deficit, is that we do not seem to realize the importance and significance, as Dr. Lindquist pointed out, of having a global look at things. Our country is becoming more and more global whether it wants to be or not. There is a tendency at this particular time to frown on anything which smacks of dealing outside of our borders.

But if we do not learn how to be able to market and to compete in the international sector, we are going to have a very difficult time continuing in our society.

I realize, Monica, I skipped over you, but we will get back to you after my little monologue.

I would hope that we don't lose sight of such things as academic facilities; the need for research facilities, in particular; our graduate programs which are being decimated under the latest cuts; and the need to expand our knowledge of languages all the way across-the-board.

Sorry about that, Monica, go right ahead before I go any further.

STATEMENT OF MONICA S. COLEMAN, ASSISTANT DIRECTOR OF OUTREACH PROGRAMS, VERMONT STUDENT ASSISTANCE CORP.

Ms. COLEMAN. Thank you, Congressman Jeffords.

My name is Monica Coleman, and I am assistant director of the outreach program at Vermont Student Assistance Corp. I wish to thank you for the opportunity, for allowing me to comment on the TRIO programs and their impact on Vermonters.

I hope that the comments of this panel will help to influence the decisions being made on the budget and the reauthorization process.

Financial aid is a vital resource to assure accessibility to postsecondary education on the part of students with financial need. However, many students present needs more extensive than financial to allow them to attend and complete a college program.

They also need information and counseling regarding career and college choice. Many need tutoring and academic skill development while attending high school and college.

Finally, they need contact with educators who reinforce and encourage their goals and aspirations. Congress recognized the importance of the relationship between financial aid and informational/academic support services in establishing TRIO within title IV legislation.

There are currently nine TRIO programs in Vermont, serving 3,344 Vermonters. There are three Upward Bound programs, five special services programs, and one Talent Search program. All serve low-income first-generation students whose ages range from 14 to 60.

Since a student from Johnson State's Upward Bound has testified today, I will speak primarily about about VSAC's talent search program, which is know as outreach. And since I didn't know Cathy was going to be speaking some about special services there are also some comments in my testifying about that particular program as well.

As a fourth-generation Vermonter myself, and a first-generation college student, I am well acquainted with the limited opportunity a young person may perceive growing up in rural isolation and/or economic and cultural disadvantage. Although lacking any guidance in high school, there was no department in my school, I feel fortunate that I had parents and siblings who encouraged college attendance, and since since gaining my education, feel privileged to have worked for the past 10 years in three of the State's TRIO programs.

I believe in, I value, and I have seen the success of these programs in assisting young people and adults in their efforts to pursue postsecondary education.

The outreach program in which I work, is in its 17th year of operation. The program serves all of the State's public secondary schools and many agencies working with adults.

During the current year the program will offer counseling to approximately 2,500 Vermonters. In addition, over 6,000 individuals will receive informational services such as mailings, postsecondary and financial aid information, and followup telephone calls.

Clients are assisted with gaining self-knowledge, making decisions, clarifying career direction, setting goals, choosing college and obtaining financial aid. Our program has a continuation rate of 74 percent as compared to a State average of 54 percent.

A case in point is that of Alan, who graduated from a nearby high school in 1985. Alan was an average student in high school, although clearly had potential beyond his achievement, as indicated by diagnostic test results, and teacher and counselor comments.

During his 2 year involvement with outreach, he never missed his monthly counseling appointments. Through this contact he gained help with study skills, taking greater responsibility for himself, career decisionmaking, college selection, financial aid application, and orientation to college

Two meetings were held with his mother to gain her support for his college plans and to assist her in understanding the financial aid process. Alan's performance improved particularly during his senior year, and he did gain admission to a State college where he now studies criminal justice, with hopes of working with juvenile offenders.

I saw him midway through his first semester and he was really proud to let me know that he had a 3.2 grade point average at midterm. I think Alan along with many other students that we work with substantiate the need for this program.

Special services programs continue supportive services to these students including tutoring, skill development, advising and counseling while they are enrolled in postsecondary education. Although qualified for admission to college, these students are often underprepared and face significant academic and personal adjustments to their college program and environment.

For many students, this assistance is critical to their continuation to completion of their college program.

I am here today to tell you that the Vermont TRIO community fully supports House Bill H.R. 3700. I also want to thank the subcommittee for its proposed fiscal year 1987 authorization level of $400 million. The administration's fiscal year 1987 budget recom-

mendation is for a 49 percent cut in TRIO, which would likely eliminate programs and desecrate the comprehensive nature of the services they provide.

The TRIO community also strongly supports the committee's position on satisfactory academic progress. If restrictions are placed on TRIO students' academic progress, many Vermonters participating in special services programs will not receive the tutoring or instruction that will enable them to graduate from college.

Finally, I want to thank Chairman Ford; and hope you will extend our thanks to him for being one of the sponsors of Resolution No. 278, to declare February 28, National TRIO Day.

TRIO programs have had immeasurable impact on improving the life circumstances of the approximately 30,000 Vermonters who have been assisted since the programs' inception, as well as the lives of countless participants throughout the country.

Thank you.

[Prepared statement of Monica S. Coleman follows:]

PREPARED STATEMENT OF MONICA S. COLEMAN, ASSISTANT DIRECTOR OF OUTREACH PROGRAM, VERMONT STUDENT ASSISTANCE CORP.

Mr. Chairman and Members of the Subcommittee:

My name is Monica Coleman and I am Assistant Director of the Outreach Program at Vermont Student Assistance Corporation. I wish to thank you for allowing me the opportunity to comment on the TRIO programs and their impact on Vermonters. I trust that the comments of this panel will influence decisions made within the budget and reauthorization process.

Financial aid is a vital resource to assure accessibility to postsecondary education on the part of students with financial need. Many students present needs more extensive than financial, however, to allow for attendance and completion of a college program. They also need information and counseling regarding career and college choice. Many need tutoring and academic skill development while attending high school and college. Finally, they need contact with educators who reinforce and encourage their goals and aspirations. Congress recognized the importance of the relationship between financial aid and informational/academic support services in establishing TRIO within the Title IV legislation.

There are currently nine TRIO programs in Vermont serving 3,344 Vermonters. There are three Upward Bound programs, five Special Services programs, and one Talent Search program. All serve low-income first-generation students whose ages range from 14-60. Since a student from Johnson State's Upward Bound program will be testifying today, I will focus my remarks on VSAC's Talent Search program, known as Outreach, and on the state's Special Services program.

As a fourth-generation Vermonter and a first-generation college student myself, I am well acquainted with the limited opportunity a young person may perceive growing up in rural isolation and/or economic and cultural disadvantage. Although lacking any guidance in high school, I feel fortunate that I had parents and siblings who encouraged college attendance and since gaining my education, feel privileged to have worked for the past ten years in three of the state's Trio programs. I believe in, I value, and I have seen the success of these programs in assisting young people and adults in their efforts to pursue postsecondary education.

The Outreach program in which I work is in its seventeenth year of operation. The program serves all of the state's public secondary schools and many agencies working with adults. During the current year the program will offer counseling to approximately 2,500 Vermonters. In addition, over 6,000 individuals will receive informational services such as milings, postsecondary and financial aid information, and follow-up telephone calls. Clients are assisted with gaining self-knowledge, making decisions, clarifying career direction, setting goals, choosing college and obtaining financial aid. The continuation rate for program participants is 74 percent compared to a state average of 54 percent.

A case in point is that of Alan, who graduated from a nearby high school in 1985. Alan was an average student in high school, although clearly had potential beyond his achievement as indicated by diagnostic test results and teacher and counselor comments. During his two year involvement with Outreach, he never missed his

monthly counseling appointments. Through this contact he gained help with study skills, taking greater responsibility for himself, career decision making, college selection, financial aid application and orientation to college. Two meetings were held with his mother to gain her support for his college plans and to assist her in understanding the financial aid process. Alan's performance improved senior year and he gained admission to a state college where he now studies criminal justice, with hopes of working with juvenile offenders. I saw him mid-way through his first semester and he proudly reported having a 3.2 g.p.a. at mid-terms. Alan and many others substantiate the need for this program.

Special Services programs continue supportive services to these students including tutoring, skill development, advising, and counseling while they are enrolled in post-secondary education. Although qualified for admission to college, these students are often underprepared and face significant academic and personal adjustments to their college program and environment. For many students, this assistance is critical to their continuation to completion of their college programs.

I am here today to tell you that the Vermont TRIO community fully supports house Bill H.R. 3700. I also want to thank the Subcommittee for its proposed fiscal year 1987 authorization level of $400,000,000. The Administration's fiscal year 1987 budget recommendation is for a 49 percent cut in TRIO, which would likely eliminate programs and desecrate the comprehensive nature of the services they provide. The TRIO community also strongly supports the Committee's position on satisfactory academic progress. If restrictions are placed on TRIO students' academic progress, many Vermonters participating in Special Services programs will not receive the tutoring or instruction that will enable them to graduate from college.

Finally, I wish to thank you, Chairman Ford, for being one of the sponsors of Resolution #278 to declare February 28 National TRIO Day. TRIO programs have had immeasurable impact on improving the life circumstance of the approximately 30,000 Vermonters who've been assisted since the programs' inception as well as the lives of countless participants throughout the country.

Mr. JEFFORDS. Thank you very much, Monica.

I certainly appreciate the panel.

I would like to say, Dr. Pollock, I have many fond memories about Vermont College over the years, and one of them was talking during graduation. And I have some not so fond memories, I would also say, the latest being when I was over this spring to talk to the Appalachian Trail conference, when I got up and made some comments about Vermont's ski scarred mountains without realizing that there was a panel from the Killington ski area in the audience, and it took me a long time to get over that one.

The other unpleasant experience involves my days in college, and I won't get into that.

But I do feel you have done a tremendous job, and it is a great asset to Vermont, and to our area, and I do appreciate that.

Dr. Lindquist, I, of course, have been well aware of Goddard and suffered along with you at times and the institution. I just want to say that the number of lives that you have over there is impressive. I don't know which life you are on now, but it seems to be getting better.

I appreciate you and I do wish you well.

I would like to give you all an opportunity, I know we talked about other titles, but for the record, especially the two presidents here, to let me know the implications would be of some of the cuts that we have been talking about to your institutions with respect to the Grambo cuts, the budget cuts?

Mr. LINDQUIST. Well, as we are currently constituted they would be devastating. There wouldn't be any way that I could imagine Goddard continuing as it is.

But there is another challenge I put toward you, even though it scares me half to death, and that is in every title this bill probably

should be asking higher education to rethink how it does higher education, to find lower cost, high quality ways to deliver higher learning.

If that is what the Congress faces, it is another seed that ought to be sown.

I know some of the things that it would mean at Goddard, we would have a radically different approach to higher learning. But I am not altogether to sure it would be a weaker approach, if we survive the radical change.

Mr. JEFFORDS. Thank you.

Mr. POLLOCK. I think I would pretty much just support what my colleagues have said, not simply because they had said it, because it would be true as far as Green Mountain is concerned. If the cuts go through that are being proposed, the effect would be absolutely devastating, not only in the size but in the rapidity with which they are going through.

Russ Todd made some comment earlier this afternoon about giving the colleges breathing room, giving them time to adjust. I don't think anybody has really realized or thought about much, but we have a whole generation of students coming along whose parents have been told ever since their children are born, not to worry about college because there was always going to be ways of financing college.

So we have got a whole generation of people coming along with children who have never really prepared financially to send their children to college. Now suddenly we are telling them the resources are not going to be there.

I think, as I said before, the proposed cuts will be absolutely devastating. I think we need time, we need some breathing room, and I go along with what Jack had said, I think if Congress is telling us to find some less expensive ways to educate the young people, I think they have got to help us explore those avenues.

Mr. JEFFORDS. I appreciate your comments. That was the reason I pushed for and successfully got the National Commission set up.

If we are going to change what expectations are in this country, as to who is to finance and how our higher education is to be financed, we shouldn't do it overnight with radical changes. We should look toward the future, and especially for the next generation of young people coming along with babies to understand what is going to be required of them when it gets to the question of educating their young people.

I personally feel that we should do everything we can to assist the people who are trying to help their own. That is why I introduced the bill that would allow people to start savings accounts like IRA's, and those kind of incentives, if we are going to demand that people carry a larger share of the financial burden.

I appreciate your comments very much.

I didn't mean to cut anyone else off; if anyone had a comment in this area?

Mr. LINDQUIST. I have one other comment, and that has to do with evaluation criteria, and excellence, and quality. As we run into a situation with less money, and we say we want to improve quality and excellence in education at the same time, the outcome most easily is that those who don't get "C" or above, if it is Pell, or

somehow else meet the academic standard that we hold, are going to be cut out, applies to lots of those titles. It certainly applies to the title III, dramatically.

I would challenge that the evaluation criteria that we turn to, that is, the academicians' evaluation criteria may not be the ones we should turn to. Academic performance and real world performance generally don't correlate very well.

And so, the challenge should be that evaluation criteria had to do with performance in the world not performance in the classroom.

Mr. JEFFORDS. Thank you very much.

Anyone else like to make a comment?

Well, thank you all for very excellent testimony. It was a great help to the committee. I deeply appreciate the effort that has gone into your preparation and your comments here today.

Before I close I will give an opportunity, as I like to do, and that is for anyone that has sat through the proceedings today, who feels that they have been frustrated and who has some great yearning desire to be able to express themselves on the record formally. I would give you that opportunity at this time to come forward, if you so want to.

[No response.]

Mr. JEFFORDS. Having waited the appropriate amount of time, I would say that I will take the gavel into hand and officially close the proceedings here today.

Thank you all. And I sincerely thank you to my staff, and to those on the Education and Labor Committee, as well as those who have worked very hard and diligently to make sure that everything went very smoothly, as it did, and also to our reporter who, as always, is the last to leave and has to wait for another plane other than the one that others are taking. I deeply appreciate your participation here today in making these proceedings successful, and forever to be embossed upon the history of this great Nation.

Thank you.

The record will be open for about 2 weeks for anyone who wishes to submit additional or original testimony.

[Whereupon, at 3:45 p.m., the hearing adjourned.]

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